



PUBLIC WORKS DEPARTMENT - ENGINEERING
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IMPORTANT CITY OF ARVADA USE TAX INFORMATION

Dear Licensed Contractor:

Thank you for operating in the City of Arvada. In order to efficiently serve our community, **starting on January 1, 2019, the City of Arvada Engineering Division will start collecting use tax on every Right-of-Way (ROW) permit at the time of permit issuance.** This change will simplify the tax payment process for both contractors and the City as taxes will be collected up front instead of after the project has been completed.

In order to calculate the use tax that will need to be paid, you will need to provide your complete job valuation on every permit application. Staff will assume 58% of your job value to be material cost and will then multiply that amount by the current tax rate of 3.46%. After your permit has been obtained, you will be able to use the permit to present to your vendors to show that the use tax has already been paid on your material purchases. This will exempt you from paying local tax however, you will still be liable for other taxes such as, special district, state and county.

If you have an Arvada Business license, use tax will be waived at time of permit, but you will file all documents quarterly. Projects that are tax exempt will need to have a project specific tax exempt certificate issued by the State of Colorado. The City will perform random audits on the ROW permits to ensure accuracy in the information that is submitted.

If you have questions please visit arvada.org/rightofway or you can reach us via telephone at 720-898-7640.

Thank you,

Matt Knight, P.E., CFM
City Engineer