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## BINGO SUPPLIES AND EQUIPMENT

The *Arvada Municipal Code* imposes a sales tax upon the purchase price paid for tangible personal property and certain taxable services in the City by the ultimate user or consumer. This also includes a use tax upon using, storing, distributing or otherwise consuming in the City any article of tangible personal property purchased, leased or rented from sources outside the City on which a lawfully imposed sales tax has not been paid.

Tax-exempt organizations (charitable, religious) which purchase bingo supplies and rent equipment to use for fund raising purposes must pay sales tax on these items. The law provides that tax-exempt organizations may purchase tax-exempt only those goods, which are used in their regular charitable activities. Fund raising is not considered a charitable activity; therefore, supplies purchased for fund raising activities are not tax exempt.

Bingo supplies and equipment are not used directly by the tax-exempt organization, but are transferred to, and used by, the bingo patrons. However, this transference is not considered to be a retail sale, and cannot be considered a tax-free purchase under the resale exemption. Bingo is a service, and bingo operators are considered to be the consumer of their supplies. Organizations that operate bingo games in Arvada are taxed on their supplies.

The Colorado Department of Revenue has exempted the sales of bingo “equipment” effective July 1, 2001. This exemption does not extend to the City of Arvada as bingo equipment that is purchased or rented is taxable.

**COLORADO DEPARTMENT OF REVENUE**

*Effective 07/01/01 – HB 01-1223 All sales of equipment to a bingo licensee shall be exempt from taxation for the state and statutory cities, counties and certain special districts where the local sales tax is collected by the state.*

## **RELATED TOPICS**

### GOVERNMENTAL AND CHARITABLE ORGANIZATIONS

*THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT ARVADA TAX LAW FOR THIS SUBJECT, INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE ARVADA MUNICIPAL CODE. HOWEVER, THE TAX GUIDE SHALL BE USED IN CONJUNCTION WITH THE ARVADA MUNICIPAL CODE (CHAPTER 98) IN DETERMINING TAX LIABILITY.*