



Summary of Business Taxes

State taxes eliminated:

- No state property tax
- No inventory tax
- No tax on goods in transit
- No intangible property tax
- No franchise tax

State sales/use tax exemptions:

- Transfers of assets in certain types of corporations in exchange for securities or stocks
- Purchases of machinery and machine tools for use in manufacturing (see additional exemption from City of Aurora sales tax, below)
- Biotechnology equipment purchases
- Utilities used to manufacture or process tangible goods
- Tangible personal property that becomes part of a manufactured good or service
- Interstate long distance telephone charges
- Commercial aircraft and aircraft parts; sales to non-residents of aircraft not kept in the state
- Sales, use, and storage of components used to produce alternating current electricity from renewable sources
- Various other special interest and general sales tax exemptions

City of Aurora sales tax exemptions:

- Sales of motor vehicles registered outside the city
- Sales of machinery or machine tools for use in manufacturing
- Sales of farm implements
- Sales delivered outside the city
- Sales of gasoline and special fuels which are subject to the state gasoline and special fuel tax
- Sales of cigarettes
- Sales of insulin, prescription drugs, and prosthetic devices
- Sales of food for domestic home consumption
- Sales to the U.S. Government, the state of Colorado, and the city of Aurora, their departments, institutions and political subdivisions, in their government capacities only
- Sales to religious and charitable organizations, in the conduct of their regular religious and charitable functions and activities (state tax-exempt numbers required)
- Various other exemptions

Business personal property tax exemptions

Legislation passed in 2008 increases Colorado's business personal property tax exemption to \$7,000 over five years. From the tax year beginning Jan. 1, 2015 and beyond, the exemption will be increased biennially to account for inflation. Legislation adopted in 2012 allows Colorado cities, counties, and special districts to fully waive their portions of the business personal property tax for qualifying companies.

Low unemployment taxes and workers' compensation premiums

Colorado unemployment insurance premiums for established employers vary depending on the history of premiums paid, benefits charges, and the overall Unemployment Insurance Fund balance. The majority of new employers (non-construction) are charged a standard tax based rate on two separate factors, including:

- Base Rate (0.0170 percent)
- Bond Principal Rate (currently 0.0042 percent)
- Resulting in combined rate of 0.0212 percent on the first \$12,200 (2016) of each employee's calendar year earning.

Colorado employers continue to enjoy relatively low workers' compensation insurance premiums. Workers' compensation insurance may be purchased through private insurance companies authorized to conduct business in the state. For information regarding rates for specific industries, call one of the largest providers of workers' compensation insurance in Colorado, Pinnacol Assurance. *303.361.4000, 800.873.7242*

For more information contact the Aurora Economic Development Council at 303.755.2223 or info@auroraedc.com.