



Dr. Terry Bishop, Superintendent

## NOTIFICATION

TO: ALL DISTRICT CONTRACTORS

**REGARDING: City of Colorado Springs Sales / Use Tax Procedures When Contracting  
With Colorado Springs School District No. 11.**

**REFERENCE: Contract Terms and Conditions #D.29, Sales Tax**

Dear Contractor / Supplier,

As a sub-division of Colorado State Government, Colorado Springs School District No. 11 does not pay federal, state, county or city taxes. However due to the City of Colorado Springs tax ordinance and reporting procedures; proposals and bids from Contractors to the District should include the cost for City of Colorado Springs Sales and Use taxes. No other taxes should be paid by the contractor and under law, are precluded from being passed along to the District.

Sales and Use taxes include taxes on all items purchased within or imported into the City, including out of state or international purchases. The Contractor shall complete forms ST-16(QE), and ST-16A(QE) as provided by the City, listing all sales and use taxes that were paid for (or should have been paid for) during the course of the project and submit those forms to the District Project Manager as part of their final submittals. SPECIAL NOTE: The City of Colorado Springs also requires a copy of all invoices showing that City Sales Tax was paid. If a Use Tax was paid, a copy of the Contractor's check to the City must be attached to the ST16A(QE) form. If a Contractor or their sub-contractor does not pay any sales or use tax on materials purchased for a government agency project, the Form #ST 16A(QE) should still show a zero figure in the sales / use tax column submitted by the general contractor with an explanation.

As part of the District's formal contract closing procedures ( as well as smaller purchases not on formal contracts which usually only involves one invoice), we will closely scrutinize the sales tax submittals. Any items not listed on the forms will result in holding retainage dollars until such time as the forms are properly completed. For smaller dollar jobs, the new #ST16QE and ST16A(QE) forms (copies attached) must be submitted along with the supplier's invoice showing payment of the City Sales Tax. The purpose of this submittal procedure is to facilitate the District in recovering taxes paid to the City on our projects. Failure by our contractors to report City taxes that have been paid (or should have been paid), results in a significant loss of reimbursable dollars to the District. We must ask for your full cooperation in this endeavor.

For material taken out of vendor's inventory and used on a District project, the City of Colorado Springs requires the following procedure in order for the District to be refunded. On the ST16A(QE) form enter the material description and the phrase "from inventory". Then attach a copy of the purchase invoice which shows that the City Sales Tax was paid on a larger quantity of the same

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material stored in vendor's inventory. Vendor must also attach their "Job Cost Report / Analysis" or their "Inventory Requisition Withdrawal" form, or their standard job cost accounting report (whatever it is called) that shows the amount of that specific material used on the project. The vendor then calculates the percentage of material used on the project related to the large total quantity put in stock / inventory. Then apply that percentage to the total invoiced sales tax paid. Enter the pro-rated sales tax amount in the ST16A(QE) column for the "from Inventory" description.

If a supplier / contractor pays a city sales tax at another city and brings the material into Colorado Springs to use on a public project, they do not have to pay a City of Colorado Springs sales or use tax. Thus, there is no double taxation. However, the District cannot get a refund from the other city.

For additional or clarification information, call direct to Ms. Karen Garcia, Sales Tax Manager, City of Colorado Springs at 719-385-5231.

Sincerely,



Alan L. Miller, CPPB  
Contacting Officer

Attached: ST16(QE) and ST16A(QE) forms and City sales tax pamphlet