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NEWSPAPER INSERTS, SUPPLEMENTS, AND PRE-PRINTS

This tax guide is prepared and published for the information of the general public and all persons in business pursuits who would be required to make payment of Sales Tax or Use Tax under provisions of Chapter 25, Article III of the Code of the City of Fort Collins (the "Tax Code"), as well as for the guidance of the City employees whose responsibility it is to collect the taxes imposed by the Tax Code and the enforcement thereof. The following guide is exactly as it says, a GUIDE, and not to be relied upon as an official interpretation of the Tax Code applicable in all circumstances. Instead, specific reference should be made to the Tax Code and related ordinances for what is required in any particular circumstance.

Preprinted newspaper supplements are inserts, attachments or supplements circulated in newspapers that are primarily devoted to advertising and the distribution, insertion or attachment of which is commonly paid for by the advertiser. The retail sale or purchase of newspaper inserts is subject to sales or use tax if storage, use, distribution, or consumption occurs in Fort Collins or if the newspaper inserts are delivered to or picked up from a Fort Collins location.

The advertiser or purchaser of the newspaper inserts, who arranges for the inserts to be printed and then inserted into newspapers for storage, use, distribution, or consumption within the City, is the consumer of the advertising materials and is liable for the sales/use tax when purchased. Although the advertiser may not take physical possession of the inserts, they are the consumers of the inserts and sales/use tax is due.

EXAMPLE

Sound Electronics, a national electronic products firm, contracts with Busy Printers, a commercial printer located in New Jersey, to produce newspaper inserts that meet Sound Electronic's requirements. Busy prints the inserts and has them delivered to Fort Collins for distribution in a local newspaper. Busy bills Sound Electronics for producing the inserts. If Busy is licensed to collect the sales/use tax, they are required to do so. If Busy is not required to be licensed or fails to collect City sales tax, Sound Electronics must remit the use tax to the City. Sales or use tax is due on the purchase price of all inserts stored, used, distributed, or consumed in Fort Collins.

CITY OF FORT COLLINS SALES AND USE TAX ORDINANCE

Section 25-71	Definitions.
Section 25-73	Imposition of the sales tax.
Section 25-74	Imposition of the use tax.
Section 25-91	Sales/use tax license required.

June 21, 2018