



Filing Frequency & Account Changes

FILING FREQUENCY

The City of Loveland has three filing frequencies monthly, quarterly and annual. Filing frequencies are determined by the amount of sales tax collected each month. To file monthly the amount collected is \$300.00 or more a month, to file quarterly the amount collected is between \$50.01 and \$299.00 per month and to file annually the amount collected is less than \$50.00 per month.

If a business fails to designate a filing status when applying for a license, the account will automatically default to a monthly filing frequency.

Every year the City of Loveland may evaluate the filing status of every business to determine if a change needs to be made. A change will occur if a business exceeds or falls below the sales tax collection filing status requirements. However, if a business whose filing status has been changed to a new filing frequency submits a written request to remain on their previous filing status to the City of Loveland sales tax department a status change may be granted based upon a review of the payment history of their account.

SEASONAL

The City of Loveland does allow for a business to file seasonally based upon the months they are open. A letter attached with the sales tax application indicating a seasonal status as well as the months open is accepted. Returns will be automatically generated each year based upon the previous year's open periods. It is the responsibility of the taxpayer to notify the City of Loveland sales tax department if that business is no longer operating within the City of Loveland on a seasonal basis.

WHOLESALE ACCOUNTS

The City of Loveland does not require a sales tax license for a business that only sells "wholesale". A license would only be required if the wholesaler sells anything at retail.

SALES TAX RETURN ZERO LIABILITY

Taxpayers who do not collect sales tax during a filing period or has not tax liability due still must file a "0" return.

SALES TAX NON-FILER NOTICES

If a business does not file a required return, an assessment notice will be automatically issued. Per the Loveland Municipal Code section [3.16.310 Failure to make return; estimate of taxes; interest and penalty](#)

If you did not receive or have lost your return form a blank forms is available on our website at: <http://www.ci.loveland.co.us/finance/salestax/salestaxmain.htm>

SALES TAX ACCOUNT CLOSURE

If a business is closing their account they must notify the City of Loveland sales tax department on their final return that the business is closing. Businesses may also notify the City of Loveland using the “Account Change Form” to close their account.

When a business closes or has multiple locations close the taxpayer must immediately notify the City of Loveland of the closure to avoid receiving assessment notices. Include the effective date of closer (last day of business). The City of Loveland will then close the sales tax account number for that location.

SALES TAX ACCOUNT CHANGES

Businesses should notify the City of Loveland sales tax department of any address changes.

- ◆ if a business’s ownership status changes (for example, from a partnership to a individual ownership), the business must file for a new sales tax account number. The City of Loveland sales tax department will close the previous account number and open a new account number for the new entity.
- ◆ If a business opens an additional location, the business must file for a new sales tax account number for that specific location. The City of Loveland does not allow consolidated sales tax returns for businesses with multiple locations.
- ◆ A mobile business (selling out of a truck or other vehicle), must have a sales tax account.
- ◆ If the business is moving to a new location notify the City of Loveland of the new address. The business does not need to apply for a new sales tax account.

HOW LONG BEFORE A BUSINESS RECEIVES THE LICENSE

Please allow one to two weeks for processing. Your license and return forms will be mailed to the mailing address listed on the application. Unfortunately, we cannot issue a license number immediately if the sales tax application is turned in to us in person. The standard one to two weeks for processing is needed.

WHAT TO DO WHEN PURCHASING OR SELLING A BUSINESS

When a business is purchased by another party, both the old and new business operator must follow certain steps with the City of Loveland and with other agencies.

The seller should close the sales tax account or change its address (if the business is moving) with the City of Loveland.

- ◆ The purchaser may request a tax status letter from the seller. The City of Loveland will issue the letter at the present owner's (seller's) request. The letter will indicate whether all business tax filings are current.
- ◆ The seller must pay any sales taxes that have been collected prior to the sale of the business. The sales taxes must be filed within 10 days of the sale. The new business owner is liable for any unpaid tax due on sales made by the previous owner.
- ◆ The new business should open a sales tax account with the City of Loveland.
- ◆ The sale of a business often includes tangible personal property. Therefore, the buyer who is purchasing business assets must pay city sales tax on that property. The sales tax must be paid on tangible personal property such as equipment, furniture, and fixtures, whether used or new. The business purchaser remits the applicable sales taxes on the purchase of the business tangible property using the City of Loveland sales tax return forms. It must be filed with the city on or before the 20th day of the month following the date of purchase. If vehicles are involved in the sale, sales tax on vehicles is paid to the county where the vehicles are registered.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT LOVELAND TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE LMTC (LOVELAND MUNICIPAL TAX CODE) AND APPLICABLE RULES AND REGULATIONS.