



## Consigned Merchandise Sales

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Regardless of the status of the consigned inventory for the purpose of any other tax and regardless of whether the retail customer knows that inventory is not owned by the vendor, the vendor is (1) the retailer of the property and (2) liable for the tax due on the retail sales.

Sales tax must be collected on the retail sale of consigned inventory. The consignee must collect and remit the sales tax to the City of Loveland. Consigned inventory is owned by the consignor, but the City holds the consignee, the vendor who actually makes the retail sale, accountable for tax collection.

### Examples:

1. An art gallery (consignee) displays and sells artwork owned by local artists (consignor). When the artwork is sold, the gallery (consignee) must collect sales tax and remit it to the City of Loveland.
2. An auction house (consignee) collects estate items from various sources (consignor). When items are sold at auction, the auction house (consignee) must collect sales tax and remit it to the City of Loveland.

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.