



PROWERS COUNTY CLERK AND RECORDER

301 S. MAIN ST., STE. 210, LAMAR, CO 81052 719-336-8011

PROWERS COUNTY

Tax Chart and Collections for Leased Vehicles

How taxes are collected when leasing a motor vehicle (DR0026 Form)

ENTITY	Taxable on: Taxable Amount for Use Tax (Paid Up-Front)	Taxable on: Total Lease Amount (Collected in Lease Payment) for 36 or 37 Months (or more) in a Vehicle Lease.
CITY OF LAMAR (Home Rule)	✓	
PROWERS COUNTY		✓
TOWN OF GRANADA		✓

Required for Tax Collection on vehicle leases:

✓ **36 Month vehicle leases or less**

- Pay taxes to Dealer/Lease Company Up-Front **or**
- Incorporate taxes into lease payment - requires a **DR0026** to be submitted with vehicle leasing paperwork.

✓ **37 Month (or more) vehicle leases:**

- Dealer/Lessor **must have a Colorado Sales Tax Account number** and **Site number for each business location.**
- Dealer/Lessor **must have a DR 440** - Permit to Collect Sales Tax on the rental or lease basis for each business location.
- Taxes must be collected through the vehicle lease payments.
- Lease paperwork will contain a DR0026.

✓ **Prowers County Tax - rate 1%**

- **May be collected** in a 36-month vehicle lease, but is **required** to be collected in a 37-month or more vehicle lease. 1% Prowers County Tax is taxable on: **Total Lease Amount** listed on the DR0026 Form. If a Dealer does not collect the 1% Prowers County Tax in a vehicle lease for 36-months, then County Tax is due before processing the title work. Dealership or Lessor can submit a Check, Cashier's Check, or Money Order, made payable to Prowers County Clerk for the 1% County Tax along with all the title work for processing.



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✓ City of Lamar Tax – rate 3%

- Lamar City Tax is to be collected Up-Front and **cannot be collected in a vehicle lease payment**, per City of Lamar's **Home Rule Charter/Ordinance**. City of Lamar does not follow State collection regulations.
- City of Lamar Tax is taxable on: **Taxable Amount for Use Tax** listed on the DR0026 for Lessee's whose physical address is located inside the City limits of Lamar.
- If Dealer or Lessor chooses to collect the Lamar City Tax they **must** submit a separate Check, Cashier's Check, or Money Order, made payable to the City of Lamar but it can be sent to Prowers County Clerk Office along with all titling paperwork for processing.
- City of Lamar, 719-336-4376,

✓ Granada City Tax – rate 2%

- **May be collected** in a 36-month vehicle lease but is **required** to be collected in a 37-month or more vehicle lease for the Lessee's whose physical address is located inside Granada City limits.
- Granada City Tax is taxable on: **Total Lease Amount** listed on the DR0026. If a Dealer chooses not collect 2% Granada City Tax in the vehicle lease for 36-months, then Granada City Tax is due before we will process the title work. Dealer or Lessor can send a Check, Cashier's Check, or Money Order, made payable to Prowers County Clerk along with the title work for processing.
- Town of Granada, 719-734-5411

Cap Reduction:

- ✓ It's a down payment on a vehicle lease. Taxes are collected in the same manner as a vehicle sale indicated on the DR0024. City of Lamar, Prowers County, and Granada City Taxes will not be collected on the DR0024 if the Dealership and Leasing Company does not reside in Prowers County. City of Lamar, Prowers County, and Granada City Tax are taxable on: **Down Payment** amount listed on the DR0024 (**Net Selling Price**). All payments can be submitted to Prowers County Clerk's Office along with the title paperwork for processing.
 - Prowers County Tax rate (1%) and Granada City Tax rate (2%) must be added together, send a Check, Cashier's Check, or Money Order, made payable to Prowers County Clerk.
 - City of Lamar Tax rate (3%) will require a **separate** Check, Cashier's Check, or Money Order, made payable to City of Lamar and is submitted to the Prowers County Clerk's Office.
- ✓ Double check that the taxes being collected are for the correct amount associated with the DR0026 Form and on the DR0024.
- ✓ Check that the **Lessor's Colorado Sales Tax Account number and Site number is listed on the forms which are always required** (whether Taxes are collected Up-Front or in the vehicle lease payments).



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The DR0024 & DR0026 should only reflect taxes that the Dealership collected and are submitting to the State of Colorado i.e. State and Prowers County Tax.

Training:

Training tips on Sales Tax for Leases please contact:

Taxation Division for the State of Colorado

Department of Revenue

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