What is the Colorado Retail Delivery Fee? [1]

August 2, 2022 by Staff [2]

On July 1, 2022, Colorado began assessing a Retail Delivery Fee (RDF) of \$0.27 fee on all deliveries made by motor vehicle to a location within Colorado containing property subject to state sales or use tax. Because the University is exempt from sales tax, however, our deliveries in Colorado are also exempt from the RDF. Since this is a new fee and collection process for all suppliers in the state, we have seen the fee added in error on invoices submitted to the University.

Our Payables staff is now monitoring for this fee, and payment will not be remitted on the \$0.27 when it appears on an invoice that is tax exempt.

University Procurement Cardholders are also responsible for monitoring for this fee when making payments on purchases being delivered by motor vehicle in-state. Just as cardholders are responsible for ensuring purchases are exempt from sales tax, it will also be necessary to have this fee removed from the transaction when the purchase is otherwise tax-exempt. More information on the Colorado RDF can be found on the State of Colorado Department of Revenue page about the **Retail Delivery Fee** [3].

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