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made by motor vehicle (including common carriers like FedEx and UPS) and contains at least one item of tangible personal property subject to the state sales or use tax. Since sales tax applies to sales of wine, the retail delivery fee applies to direct-to-consumer (DTC) wine shipments.

**Gail Cole** • Jun. 21, 2022



Starting July 1, 2022, all taxable tangible personal property delivered by motor vehicle to a Colorado address is subject to a new \$0.27 retail delivery fee. Including wine.

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The fee is based on sales transactions. For example, if a customer purchases 12 bottles of wine in one transaction, only one retail delivery fee is due whether the wine is delivered all at once, in one shipment, or in four separate deliveries (e.g., one delivery of three bottles per quarter).

Alternatively, if a customer orders six bottles of wine in six different sales transactions, the retail delivery fee would apply to each of the six transactions — even if all bottles ended up being delivered in the same shipment.

Sales to wholesalers are not subject to the retail delivery fee.

### **Retail delivery fee registration and reporting requirements**

Although the fee is imposed on the purchaser, it must be collected and remitted by the retailer or marketplace facilitator responsible for collecting and remitting the sales or use tax.

If delivery is made through a third-party delivery service and the third-party deliverer collects and remits the sales or use tax due, they must also collect and remit the retail delivery fee.

Like sales tax, the retail delivery fee must be [separately stated](#) on invoices.

Since the retail delivery fee is reported separately from sales tax, it requires a separate account. The Colorado Department of Revenue will automatically register you for a retail delivery account by July 1, 2022, if you have:

- An active sales tax account
- A retailer license
- Any sales tax liability reported after January 1, 2021

For registered retailers, no further registration or license is required. That said, it will

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reported to each taxing jurisdiction. However, you must remit a return for every reporting period even if you made no deliveries by motor vehicle in the state and no fee is due.

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Sales Tax • Small Business

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