

Instructions for Line 4 of the Construction Project Cost Reconciliation Return

There are two options for calculating the amount on line 4:

- 1) Option one is to multiply the final progress billing total from line 3 by 50%. For single family homes, if different contractors were hired to construct the home, 50% should be applied to the sum of final billings from all contractors and subcontractors.
- 2) Option two is calculating the total combined actual purchase price of all materials, taxable rentals and tangible personal property used to complete the project. These amounts are derived from the general contractor's final job cost records and/or purchase and rental invoices. When subcontractors are used, their taxable construction costs must be obtained through a signed affidavit.

The total taxable construction amount should include the following:

- Cost of all construction materials.
- Cost of all fabrication labor that goes into fabricating a completed unit. Examples of completed units are stairs, cabinetry, shelving, ducting, specialty fixtures.
- Cost of supplies, printing, and any other tangible property used or stored at the Boulder job site when city tax is not charged by the vendor. Examples include hay bails, blueprints, fuels for off road equipment, safety equipment and food.
- Rentals or leases of construction equipment, tools or other tangible property used or stored at the Boulder job site when Boulder tax is not charged by the vendor. Some examples are cranes, jackhammers, lifts, fencing, signs, barricades, portable toilets, trailers, storage units, dumpsters, generators, air compressors, fans, lighting.
- Cost of materials, rentals, and tangible property purchased by subcontractors. General contractors should obtain from all subcontractors an affidavit specifying all taxable costs, including construction materials, fabrication labor and rentals. A copy of a blank affidavit form is available on Boulder's web site at:

http://bouldercolorado.gov/files/Finance/Sales_Tax/forms/subaffidavit.pdf

Please note that these affidavit forms may be sent directly by the subcontractor to the city at the address shown at the bottom of the reconciliation return.

If option two is chosen, a copy of the general contractor's final job cost records and copies of subcontractor affidavits, along with any supporting invoices, must be submitted with each project cost reconciliation return.

