

Colorado allows sales and use tax exemptions for bingo-affle equipment purchased by qualified organizations. The exemption applies to any retail sale of qualifying equipment to a bingo-affle licensee, including any lease that is treated as a retail sale for Colorado sales tax purposes.

This publication is designed to provide general guidance regarding the sales and use tax exemption for sales of bingo-affle equipment and to supplement guidance provided in the Colorado Sales Tax Guide. Nothing in this publication modifies or is intended to modify the requirements of Colorado's statutes and regulations. Taxpayers are encouraged to consult their tax advisors for guidance regarding specific situations.

The information in this publication applies to state and local sales taxes administered by the Department. The information in this publication does not apply to the sales taxes of any home rule cities that the Department does not administer. Please contact any applicable home-rule city directly for information about their sales and use taxes.

Bingo-affle licensees

The sales and use tax exemptions discussed in this publication are allowed to bingo-affle licensees purchasing bingo-affle equipment. A bingo-affle licensee is any qualified organization that has a bingo-affle license issued by the Secretary of State.

Qualified organizations

Qualified organizations that may apply for a bingo-affle license are any of the following organizations, each of which are defined in section 24-21-602, C.R.S.:

- chartered branch, lodge, or chapter of a national or state organization;
- a religious organization;
- a charitable organization;
- a labor organization;
- a fraternal organization;
- an educational organization;
- a voluntary firefighters' organization; or
- a veterans' organization.

These entities and organizations must satisfy additional criteria to be eligible for a bingo-affle license.

Political parties and the Colorado State Fair Authority are also qualified organizations that may apply for bingo-affle licenses.

Exemption for qualifying equipment

All sales of qualifying bingo-affle equipment to bingo-affle licensees are exempt from sales tax. The storage, use, or consumption of qualifying bingo-affle equipment by bingo-affle licensees is exempt from use tax. Qualifying equipment includes specific types of equipment, described below, used for bingo, lotto, or raffles.

Qualifying bingo and lotto equipment

For bingo and lotto, the following equipment qualifies for the exemption:

- the receptacle and numbered objects drawn from it;
- the master board upon which numbered objects are placed as drawn;
- the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them;
- the board or signs, however operated, used to announce or display the numbers or designations as they are drawn;
- the public address system;
- the electronic devices used as aids in the game of bingo; and
- all other articles essential to the operation, conduct, and playing of bingo or lotto.

Qualifying raffle equipment

For raffles, the exemption applies to the implements, devices, and machines designed, intended, or used for the conduct of raffles and the identification of the winning number or unit. Tickets and other evidence of a right to participate in raffles are also exempt.

Leases from commercial landlords

In general, leases of tangible personal property are considered retail sales and are subject to Colorado sales tax. However, a lease for a term of 36 months or less (a “short-term” lease) is tax-exempt if the lessor has paid Colorado sales or use tax on the acquisition of the leased property. Conversely, a lessor may request permission to acquire tangible personal property tax-free for short-term leasing by submitting a completed *Lessor*

Registration for Sales Tax Collection (DR 0440). Additional information about leases can be found in Department publication *Sales & Use Tax Topics: Leases*, available online at [Tax.Colorado.gov/sales-use-tax-guidance-publications](https://tax.colorado.gov/sales-use-tax-guidance-publications).

The sales and use tax exemption discussed in this publication applies to a bingo-affle licensee’s lease of qualifying equipment. The exemption does not apply to the purchase of bingo-affle equipment by a commercial landlord. However, a commercial landlord’s purchase of equipment specifically for resale or lease to bingo-affle licensees may qualify as a tax-exempt wholesale purchase. A commercial landlord may request permission to acquire tangible personal property tax-free for short-term leasing by submitting a completed *Lessor Registration for Sales Tax Collection (DR 0440)* to the Department.

Additional resources

The following is a list of statutes, regulations, forms, and guidance pertaining to the sales and use tax exemption for bingo equipment. This list is not, and is not intended to be, an exhaustive list of authorities that govern the tax treatment of every situation. Individuals and businesses with specific questions should consult their tax advisors.

Statutes and regulations

- § 39-26-720, C.R.S. Bingo equipment.
- § 24-21-602, C.R.S. Definitions.

Forms and guidance

- [Tax.Colorado.gov](https://tax.colorado.gov)
- [Colorado Sales Tax Guide](#)
- [Tax.Colorado.gov/sales-use-tax](https://tax.colorado.gov/sales-use-tax)
- [Coloradosos.gov](https://coloradosos.gov)