



This Week in State Tax (TWIST)

October 6, 2025



Colorado: Public improvement fees imposed for upkeep of malls part of taxable purchase price of items

The Colorado Department of Revenue recently issued a General Information Letter ([GIL 25-005](#)) clarifying that Public Improvement Fees (PIFs) are considered to be included in the “purchase price” and are therefore subject to sales tax in Colorado.

In Colorado, the purchase price is defined as the price to the consumer for a good or service, excluding “any direct tax imposed by the federal government, any state, local, or special district sales tax, and any retail delivery fee and enterprise retail delivery fees imposed or collected.” Some retailers and shopping centers may impose a PIF on customers to help pay for the upkeep and improvement of certain infrastructure, such as landscaping and parking. Since a PIF is a private fee rather than a government-imposed tax or fee, a PIF is considered part of the taxable purchase price and subject to sales tax for items on which the fee is imposed. For additional questions or concerns regarding the taxable base or other Colorado sales tax issues, please contact [Steve Metz](#).

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