

Bond Case Briefs

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Wal-Mart Stores, Inc. v. Pikes Peak Rural Transportation Authority

Colorado Court of Appeals, Div. VII - May 17, 2018 - P.3d - 2018 WL 2253038 - 2018 COA 73

Retail store operators brought action against rural transportation authority for a declaratory judgment that transportation authority could not collect sales and use taxes from operators' stores located on land that was annexed by a home-rule city before the stores were built.

The District Court entered summary judgment for transportation authority. Store operators appealed.

The Court of Appeals held that:

Annexation did not remove the land from the transportation authority's boundaries, and City's plenary authority over municipal taxation, as provided for in the state constitution, did not preempt transportation authority from collecting sales tax from the stores.

Home-rule city's annexation of previously unincorporated land did not remove the land from the rural transportation authority's boundaries, and thus the annexation did not preclude transportation authority from being able to collect sales and use taxes from retail stores that were built on the land; a municipality's annexation power did not permit it automatically to remove territory from other political subdivisions of the state, such as regional transportation authorities, particularly where removal of territory from such political subdivisions was governed by other statutory provisions, and the statutory procedure for removing land from transportation authority's boundaries was not followed.