

BY AUTHORITY

ORDINANCE NO. _____

COUNCIL BILL NO. CB19-0863

SERIES OF 2019

COMMITTEE OF REFERENCE:

AS AMENDED 9-16-19

Finance & Governance

A BILL

For an ordinance amending the City Retail Sales Tax Article, Article II, Chapter 53 of the Revised Municipal Code and the City Use Tax Article, ~~Article II~~ Article III, Chapter 53 of the Revised Municipal Code to exempt the passthrough of the federal excise tax imposed on trucks, trailers, and tractors from taxation.

WHEREAS, 26 U.S.C. § 4051 imposes a federal excise tax (“FET”) on retailers of certain trucks, trailers, and tractors;

WHEREAS, said retailers generally pass the FET on to their customers by including the FET in the price they charge for their trucks, trailers, and tractors;

WHEREAS, when the FET is included in the price the customer pays for the truck, trailer, or tractor, the FET is subject the City’s sales and use taxes; and

WHEREAS, the City desires to exempt the FET from the City’s sales and use taxes.

NOW, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:

Section 1. Section 53-26, D.R.M.C., is amended by adding the language underlined to read:

Sec. 53-26. - Exemptions.

There shall be exempt from taxation under the provisions of this article the following:

(22) The federal excise tax imposed in 26 U.S.C. § 4051, as such section existed on August 1, 2019, or as thereafter amended, on the sale of trucks, trailers, and tractors, provided:

(a) the retailer paid the federal excise tax at the time of its sale of the truck, trailer, or tractor to its purchaser and

(b) the invoice or sales receipt that the retailer provides at the time of its sales to its purchaser separately states the amount of federal excise tax that the retailer paid for the truck, trailer, or tractor.

Section 2. Section 53-97, D.R.M.C., is amended by adding the language underlined to read:

Sec. 53-97. - Exemptions.

There shall be exempt from taxation under the provisions of this article the following:

(25) The federal excise tax imposed in 26 U.S.C. § 4051, as such section existed on August 1, 2019, or as thereafter amended, on the sale of trucks, trailers, and tractors, provided:

(a) the retailer paid the federal excise tax at the time of its sale of the truck, trailer, or tractor to its purchaser and

1 (b) the invoice or sales receipt that the retailer provides at the time of its sales to its
2 purchaser separately states the amount of federal excise tax that the retailer paid for the truck, trailer,
3 or tractor.

4 **Section 3. Effective date.** This bill takes effect October 1, 2019.

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6 COMMITTEE APPROVAL DATE: August 27, 2019 by Consent

7 MAYOR-COUNCIL DATE: September 3, 2019 by Consent

8 PASSED BY THE COUNCIL: _____ September 23, 2019

9 _____ - PRESIDENT

10 APPROVED: _____ - MAYOR _____

11 ATTEST: _____ - CLERK AND RECORDER,
12 EX-OFFICIO CLERK OF THE
13 CITY AND COUNTY OF DENVER

14 NOTICE PUBLISHED IN THE DAILY JOURNAL: _____;

15 PREPARED BY: Charles T. Solomon, Assistant City Attorney DATE: September 5, 2019

16 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of
17 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed
18 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to §
19 3.2.6 of the Charter.

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21 Kristin M. Bronson, Denver City Attorney

22 BY: Kristin J. Crawford, Assistant City Attorney DATE: Sept. 16, 2019