

ORDINANCE/RESOLUTION REQUEST

1. **Title: (Include a one sentence description that clearly indicates the type of request – grant acceptance, contract execution, municipal code change, supplemental request, etc.)**

Adopt a revised definition for Charitable Corporation. This is a municipal code change request.

2. **Requesting Agency: Treasury Division**

3. **Contact Person with actual knowledge of proposed ordinance (please include phone number):**

Steve Ellington, Treasurer 720-913-9384

Don Korte, Director of Tax Compliance 720-913-9339

4. **Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved, scope of work, duration, location, affected Council district, benefits, and costs. (This is intended to give a brief overview of the ordinance. For additional background and history, please attach an executive summary)**

Currently, the definition of “Charitable Corporation” as listed in Chapter 53 of the Denver Revised Municipal Code is extremely narrow and does not apply to most nonprofit organizations. Therefore, these entities are not exempt from paying sales, use, lodger’s and business occupational privilege taxes. Examples of nonprofits that are not currently exempt are Young Americans Center for Financial Education, Foundation for Excellence in Education, Open Door Youth Gang Alternatives...

The Department of Finance/Treasury Division is recommending that the City pursue amending the definition of “Charitable Corporation” to the following: “... any organization that has been exempted from federal income tax as a nonprofit organization in good standing under section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and that has applied for and received a valid letter of exemption from the Manager.”

The DoF is recommending that the application of the new definition be phased-in beginning on 01/01/2018 with full implementation occurring beginning 01/01/2021.

5. **Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.**

None that the Treasury Division is aware of.

(Completed by Mayor’s Office): **Ordinance Request Number:** _____ **Date:** _____