

ORDINANCE/RESOLUTION REQUEST

Please email requests to Kiki Turner
at Kiki.Turner@DenverGov.org by noon on **Friday**.

Date of Request: 11/02/2020

Please mark one: **Bill Request** or **Resolution Request**

1. Type of Request:

- Contract/Grant Agreement** **Intergovernmental Agreement (IGA)** **Rezoning/Text Amendment**
- Dedication/Vacation** **Appropriation/Supplemental** **DRMC Change**
- Other:**

2. Title: (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Municipal code change to reorganize DRMC Chapter 53 (Taxation).

3. Requesting Agency: Department of Finance – Treasury Division

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Steve Ellington	Name: Kiki Turner
Email: steve.ellington@denvergov.org	Email: Kiki.Turner@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

This ordinance request seeks to change to the DRMC Chapter 53. There are similar provisions in each tax article, including: some definitions; duty to file returns; duty to keep books and records; failure to remit collections; collection of disputed taxes; refund procedures; examination of returns; audits; assessment of tax, interest, and penalty; review of assessments by the Manager of Finance; appeals from the Manger of Finance’s decisions, collections; etc.

The proposed ordinance creates a new administrative article – Article I – that contains the standard provisions that were formerly in Articles II through VIII; Incorporates housekeeping changes, such as standardized numbering and lettering format; Moves the provisions in the current Article I to a new Article IX; and Increases the readability of Articles I – IX (it reduced Chapter 53 from 142 single spaced pages to 66 single spaced pages by centralizing duplicative language into the new “Administrative” section).

This proposed ordinance will also add ballot measure 2A and ballot measure 2B, the two sales tax initiatives, approved by Denver voters on November 3, 2020 with the proper ordinance number scheme.

This code change will result in a few policy/procedure changes for standardization and clarification. Some of these changes are as follows:

- Will standardize the rulemaking process in DRMC 53-3 for all the excise taxes.
- Will require taxpayers to keep books and records for 4 years or if they are under audit, until an audit is completed. Currently, taxpayers are required to keep books and records for a total of 4 years.
- Will increase the amount of time from 60 days to 3 years to file a refund claim. Currently, purchasers have 60 days to file a refund claim, while vendors have 3 years to file a refund claim.
- Will increase the maximum amount for a refund claim from \$150,000 to \$500,000. The \$150,000 limit has been in place for over 25 years.
- Will authorize the suspension or revocation of a sales/use tax license for the non-payment of sales/use taxes.

To be completed by Mayor’s Legislative Team:

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Date Entered: _____

- Will eliminate an exemption from Sales Tax, Use Tax and Employer Occupational Privilege Tax for taxpayers that operate a large maintenance facility for interstate commerce. This exemption was enacted in early 90's to lure an aircraft maintenance base and **has never** been used.
- Will eliminate the need for charitable organizations to apply for a letter of exemption directly with the city. Currently, the law requires 501(c)3 organizations to apply for a letter of exemption and the used to have to go through a gross receipts review. There is no longer a revenue threshold that precludes 501(c)3 organizations from being exempt, and therefore these entities should be able to just use their IRS designation instead of applying directly with the City.
- Will redefine the Long Term stay tax exemption to apply to natural persons. The current exemption applies to "persons" which includes non-natural persons (businesses). This amendment will align the DRMC with recent changes made by the State of Colorado and City of Aurora.

6. City Attorney assigned to this request (if applicable): Rob McDermott & Charles Solomon

7. City Council District: All

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