



Municipal Tax, Fees, Assessments & Mill Levies

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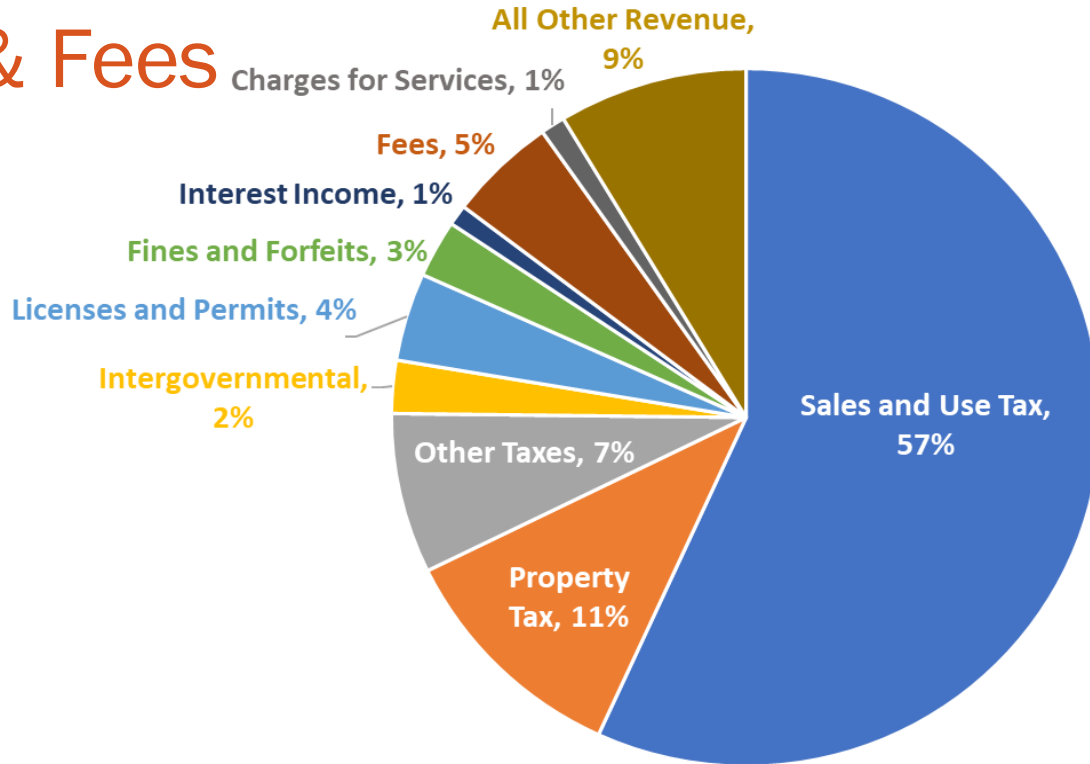
Agenda

- I. Sales, Use, and Related Taxes
- II. Fees
- III. Property Taxes & Assessments



Sales, Use, and Related Taxes

~80% of General Fund Revenue Comes From Taxes & Fees



Taxes Imposed per Denver Revised Municipal Code

1. Sales Tax 
2. Use Tax 
3. Occupational Privilege Tax (Employee & Business) 
4. Lodger's Tax 
5. Facilities Development Admissions Tax 
6. Telecommunications Business Tax 

Sales Tax

Breakdown of General Sales Tax Rate

General Fund	3.50%
Denver Preschool Program	0.15%
Parks, Trails & Open Space Program	0.25%
Caring for Denver Fund	0.25%
Healthy Food for Denver Kids Fund	0.08%
Denver College Affordability Fund	0.08%
Climate Protection Fund	0.25%
Homelessness Resolution Program	0.25%
Total General Sales Tax Rate	4.81%

Sales Tax

The Denver Revised Municipal Code (DRMC) imposes a 4.81% sales tax on the purchase price paid or charged on retail sales, leases or rentals of tangible personal property, products, and on certain services. Retail sales made online to customers located in Denver are subject to sales tax.

Sales Tax

Special Sales Tax Rates Imposed by DRMC

1. Food & Beverage 4.0%
2. Short-Term Car Rental 7.25%
3. Retail Marijuana 10.31%
4. Aviation Fuel \$0.04 per gallon



Use Tax ■

The Denver Revised Municipal Code (DRMC) imposes use tax upon the privilege of using, storing, distributing, or consuming within the City, tangible personal property, products and certain services purchased at retail when there has been no previous payment of a legally imposed sales or use tax equal to or greater than the Denver rate.

Use Tax ■

Breakdown of General Use Tax Rate

General Fund	3.50%
Denver Preschool Program	0.15%
Parks, Trails & Open Space Program	0.25%
Caring for Denver Fund	0.25%
Healthy Food for Denver Kids Fund	0.08%
Denver College Affordability Fund	0.08%
Climate Protection Fund	0.25%
Homelessness Resolution Program	0.25%
Total General Sales Tax Rate	4.81%

Use Tax ■

Special Use Tax Rates Imposed by DRMC

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Occupational Privilege Tax ●

Denver imposes two separate but related Occupational Privilege Taxes (OPT). The Business OPT is imposed on businesses operating in Denver and the Employee OPT is imposed on individuals who perform sufficient services within Denver to receive as compensation at least five hundred dollars (\$500) for a calendar month.

Occupational Privilege Tax - Employee ●

Employees who perform sufficient services in Denver to receive compensation of at least \$500 per month meet the requirement of a taxable employee and are liable for the Employee OPT to be withheld by the employer at a rate of \$5.75 per month.

Occupational Privilege Tax - Employer●

The employer is also required to pay the Business OPT at a rate of \$4.00 per month for each taxable employee.

Additionally, the employer is required to pay the Business OPT at a rate of \$4.00 per month for each owner, partner, or manager engaged in business in Denver, regardless of how much they earn.

Taxes Imposed per Denver Revised Municipal Code

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Lodger's Tax ■

Denver imposes a tax on the sale of lodging in Denver at the rate of 10.75%.

Applies to hotels and short-term rentals.



Facilities Development Admissions Tax ★

The DRMC imposes a ten percent (10%) Facilities Development Admissions (FDA) tax upon the purchase price of each admission to any entertainment, amusement, or athletic event or other production or assembly staged, produced, convened, or held at or on any facility or property owned or leased by the City and County of Denver.

Telecommunications Business Tax

This tax is imposed upon Incumbent Local Exchange Carriers (ILEC) telecommunications businesses, per the Colorado Public Utilities Commission (PUC) The Telecommunications Business Tax:

- Is imposed at the rate of \$1.12 per month for each of the telecommunications company's accounts within the City to which a basic dial-tone line is provided
- Is imposed directly upon the business, as opposed to being collected from its customers and held in trust; and
- Applies to all providers who are authorized by the PUC to offer local exchange service and who have general public customer accounts for that service in Denver.

Fees

Taxes v. Fees

Any new municipal tax or tax rate must be approved by voters.

A fee can be charged administratively, but there are limits on amounts and purposes.

Fees Generally

General Fund agencies charge individuals and businesses for the provision of various services.

Examples

Xcel Franchise Fee

Motor Vehicle License Fees

Docket Fees

Probation Fees

Foreclosure Fees

Recording of Documents Fees

Property Tax Collection Fees

Court Cost Fees

Excise and License Application Fees

Fee Considerations

- Tax dollars should support essential city services.
- Fees can be used to recover costs for full or partial services from individuals.
- Fees have restrictions; the city cannot make a profit.
- Fee increases, as well as new fees, must be approved prior to including associated revenue increases in the proposed budget.



Property Taxes & Assessments

Taxes Imposed per Colorado Revised Statutes



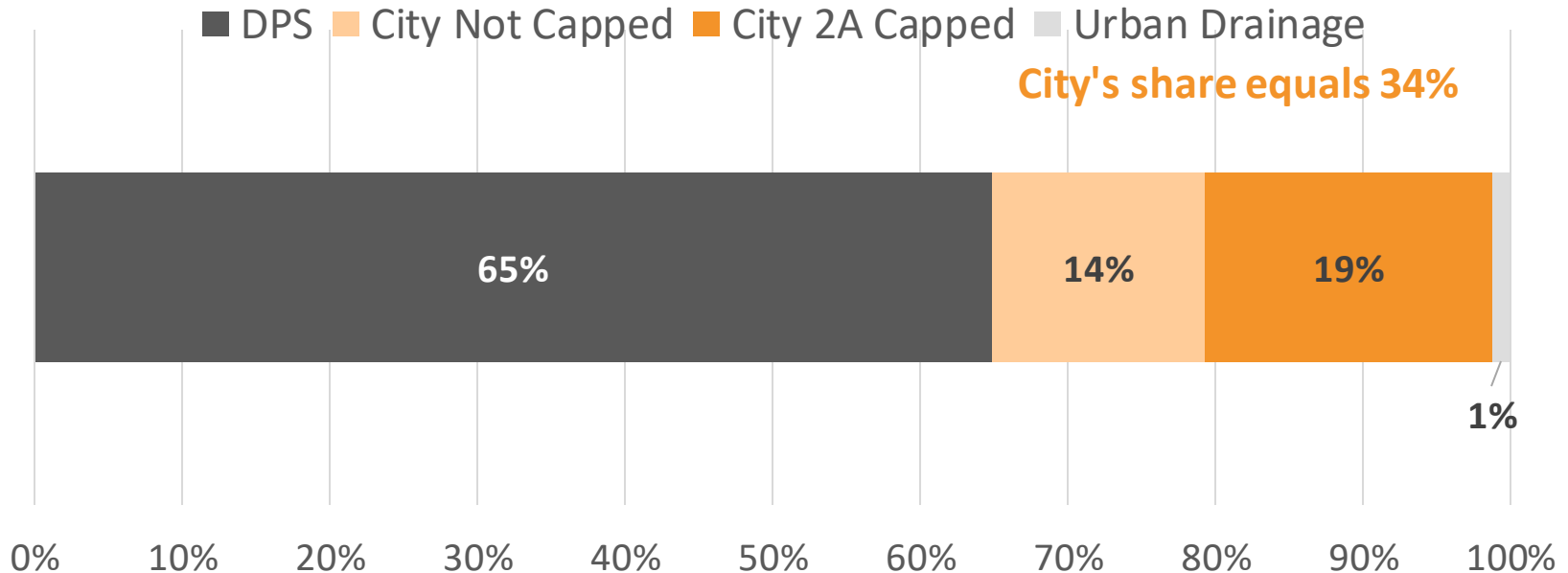
Real Property Tax



Business Personal Property Tax

Mill Levy Distribution

Total 2022 Mill Levy Distribution (79.525 mills)



Capped v. Uncapped Background

In November 2012, voters approved ballot measure 2A, eliminating TABOR growth restrictions on the City's property tax revenue. In place of the TABOR growth cap, property tax revenue to the General Fund and other affected funds is subject to a cap equal to 6 percent plus local growth.

Total City Property Tax
City 2A Capped
General Fund
Capital Improvement
Social Services
Fire Pension
Police Pension
Affordable Housing
City Not Capped
Developmentally Disabled
Capital Maintenance
Bond Principal/Interest
Library

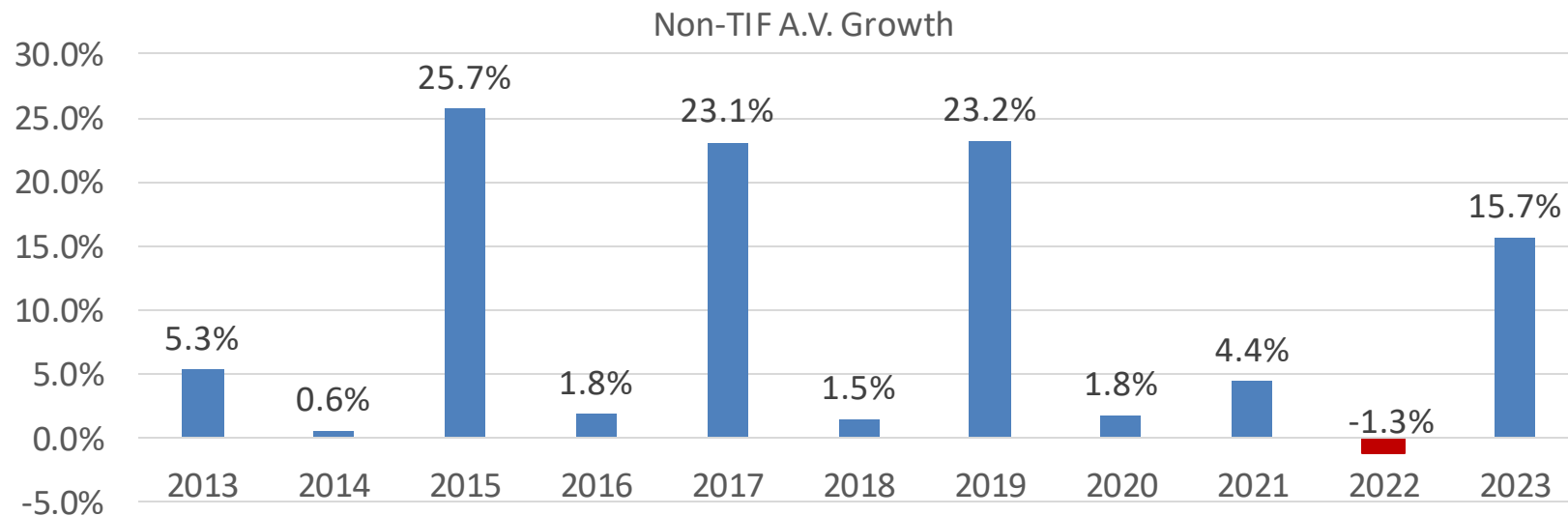
November 2023 Special Session

- After Prop HH failed, Governor Polis called a special session that convened on November 17.
- Two property tax-related bills came out of the special session:
 - SB23B-001
 - Increases the residential valuation adjustment to \$55k (up from \$15k under SB22-238),
 - Reduces the residential assessment rate to 6.700% (down from 6.765%),
 - Tightens requirements for local governments to receive backfill for SB23B-001 \$ losses,
 - Does not include non-residential property tax relief,
 - Is only effective for property taxes payable in 2024,
 - Signed into law on November 20, 2023.
 - HB23B-1003
 - Creates a property tax task force to study and develop a permanent and sustainable property tax structure for the State of Colorado,
 - Signed into law on November 28, 2023.
- County assessors were given until January 3, 2024, to finalize certifications (moved back from December 10, 2023).

2023 Mill Levies and 2024 Property Tax

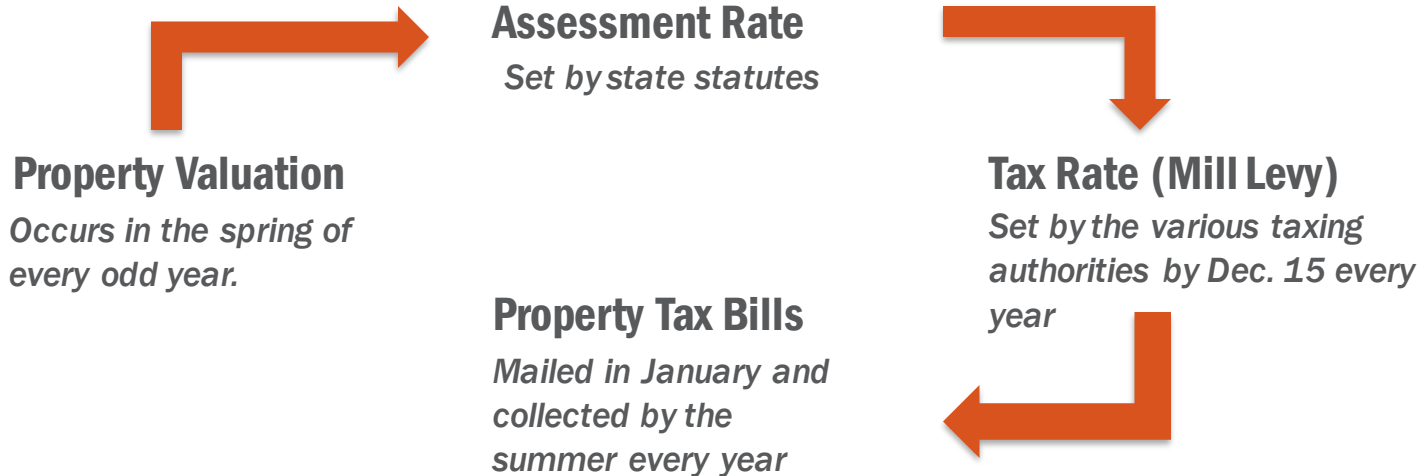
	Last Year's Base Mill	This Year's Base Mill	Difference	Abatement/ Refund Mill	This Year's Total Mill	2024 Est. Property Tax	Y/Y % Change
City 2A Capped	15.144	14.049	-1.095	0.196	14.245	353,306,513	6.9%
General Fund	7.941	7.367	-0.574	0.143	7.510	186,275,236	6.8%
Capital Improvement	1.921	1.782	-0.139	0.007	1.789	44,360,799	7.0%
Social Services	2.587	2.400	-0.187	0.023	2.423	60,078,276	7.0%
Fire Pension	1.039	0.964	-0.075	0.009	0.973	24,139,684	7.0%
Police Pension	1.240	1.150	-0.090	0.011	1.161	28,793,880	7.0%
Affordable Housing	0.416	0.386	-0.030	0.003	0.389	9,658,638	7.0%
City Not Capped	11.500	11.500	0.000	0.030	11.530	287,725,288	15.7%
Develop. Disabled	1.000	1.000	0.000	0.008	1.008	26,766,487	15.6%
Capital Maintenance	2.500	2.500	0.000	0.015	2.515	62,378,732	15.6%
Bond Principal/Interest	6.500	6.500	0.000	n/a	6.500	161,210,935	15.7%
Library	1.500	1.500	0.000	0.007	1.507	37,369,134	16.2%
TOTAL	26.644	25.549	-1.095	0.226	25.775	641,031,801	10.7%

Certified Assessed Valuation



Property Valuation and Taxation Cycle

Every two years, the Assessor revalues all real property. Property value is one part of a three-part equation to determine property taxes:



How to protest property value

You have the legal right to protest the value of your property if you believe it is incorrect. When you receive a Notice of Valuation, there will be instructions along with it explaining how you may submit a protest either in writing, in person, or over the Internet. The deadline to file for the current year by any method is June 8 annually (or by the next business day if June 8 falls on a holiday or weekend). When protesting, be sure to explain why you think your value is incorrect; please submit any information (such as sales of homes similar to yours or information concerning condition problems with your home, etc.) that will assist the Assessor in making a review of your value.

If you missed the statutory June 8 deadline, you could file an abatement petition for up to two prior tax years. For more information, go to the Assessor's website.

Property Tax Relief

Denver Property Tax Relief Program

Provides a partial refund of property taxes paid, or the equivalent in rent, to qualifying Denver residents, including families, seniors, and people living with disabilities.



For details, please visit denvergov.org/propertytaxrelief or call 720-944-4TAX (4829).

Colorado's Property Tax Deferral Program

Traditionally helps seniors and active military personnel continue to afford to live in their homes by deferring the payment of their property taxes.



For details, please visit colorado.propertytaxdeferral.com/home.

Property Tax Exemptions

Colorado Property Tax Exemption Program Available for qualifying residents:

- People aged 65 and older who have owned and lived in their home for more than 10 years.
- Qualifying disabled veterans, surviving spouses of disabled veterans who were previously granted the exemption, and surviving spouses of Gold Star Veterans.



For details, please visit
dpt.colorado.gov/exemptions.

Questions?