

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.)**
Exempt water from sales and use taxation. This is a request for a municipal code change.
- 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, Articles II & III, Chapter 53 of the DRMC provides an exemption for water purchased for domestic home consumption, but would consider water used in manufacturing/industrial processes, construction, etc. to be subject to Denver sales and/or use tax.

Denver is one of two municipalities that tax water.

The State of Colorado exempts water sold through a pipeline, and taxes bulk water sold in tanks.

Based on recent audit information it is estimated that Denver receives approximately \$50,000 to \$100,000 of sales/use tax per year from water.

Since the revenue impact is small and exempting water will allow the DRMC to be in line with our neighboring municipalities, the DoF/Treasury Division is recommending that the DRMC be amended to provide an exemption for water.

- 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:** _____