

BILL/ RESOLUTION REQUEST

1. Title: Authorizes a sales and use tax of 3.62% in the City and County of Denver by phasing out the applicability of the tax to transportation utilities (airlines and rail) with a full exemption for these products by 2015.

2. Requesting Agency: DIA

3. Contact Person *with actual knowledge of proposed ordinance*

Name:Patrick Heck

Phone:(303) 342-2207

Email:patrick.heck@flydenver.com

4. Contact Person *with actual knowledge of proposed ordinance who will present the item at Mayor Council and who will be available for first and second reading, if necessary*

Name:Amy Raaz

Phone:(303) 342-2201

Email:Amy.Raaz@flydenver.com

5. Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved

a. Scope of Work

The amendment to the ordinance provides a sales and/or use tax exemption for aircraft parts. The exemption will be phased in over time. In 2014 the tax will be capped at the lesser of half of what was paid in 2013 or half of the total tax bill accumulated throughout the year. In 2015 the aircraft tax parts will be 100% exempt going forward.

b. Duration

n/a

c. Location

DIA

d. Affected Council District

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e. Benefits

Reduced tax burden for carriers at DIA will provide more reason for additional flights and allow them to do more maintenance work at DIA. The additional maintenance work could lead to more jobs in the region and help with development in the region surrounding DIA.

f. Costs

The General Fund will experience a loss of \$1.5M to revenues in 2014 and \$3M each year thereafter until the sunset in 2040.

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

No.

Bill Request Number: BR13-0679

Date: 10/1/2013