

1 BY AUTHORITY

2 ORDINANCE NO. _____
3 SERIES OF 2019

COUNCIL BILL NO. _____
COMMITTEE OF REFERENCE:

4
5 A BILL

6
7 **For an ordinance amending the City Retail Sales Tax Article, Article II, Chapter 53**
8 **of the Revised Municipal Code and the City Use Tax Article, Article II, Chapter 53**
9 **of the Revised Municipal Code to exempt the passthrough of the federal excise**
10 **tax imposed on trucks, trailers, and tractors from taxation.**

11
12 **WHEREAS**, 26 U.S.C. § 4051 imposes a federal excise tax ("FET") on retailers of certain
13 trucks, trailers, and tractors;

14 **WHEREAS**, said retailers generally pass the FET on to their customers by including the FET in
15 the price they charge for their trucks, trailers, and tractors;

16 **WHEREAS**, when the FET is included in the price the customer pays for the truck, trailer, or
17 tractor, the FET is subject the City's sales and use taxes; and

18 **WHEREAS**, the City desires to exempt the FET from the City's sales and use taxes.

19 **NOW, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF DENVER:**

20 **Section 1.** Section 53-26, D.R.M.C., is amended by adding the language underlined to read:

21 **Sec. 53-26. - Exemptions.**

22 There shall be exempt from taxation under the provisions of this article the following:

23 (22) The federal excise tax imposed in 26 U.S.C. § 4051, as such section existed on August
24 1, 2019, or as thereafter amended, on the sale of trucks, trailers, and tractors, provided:

25 (a) the retailer paid the federal excise tax at the time of its sale of the truck, trailer, or tractor
26 to its purchaser and

27 (b) the invoice or sales receipt that the retailer provides at the time of its sales to its
28 purchaser separately states the amount of federal excise tax that the retailer paid for the truck, trailer,
29 or tractor.

30 **Section 2.** Section 53-97, D.R.M.C., is amended by adding the language underlined to read:

31 **Sec. 53-97. - Exemptions.**

32 There shall be exempt from taxation under the provisions of this article the following:

33 (25) The federal excise tax imposed in 26 U.S.C. § 4051, as such section existed on August 1,

1 2019, or as thereafter amended, on the sale of trucks, trailers, and tractors, provided:

2 (a) the retailer paid the federal excise tax at the time of its sale of the truck, trailer, or tractor
3 to its purchaser and

4 (b) the invoice or sales receipt that the retailer provides at the time of its sales to its
5 purchaser separately states the amount of federal excise tax that the retailer paid for the truck, trailer,
6 or tractor.

7 **Section 3. Effective date.** This bill takes effect _____, 2019.

8
9 COMMITTEE APPROVAL DATE: _____, 2019.

10 MAYOR-COUNCIL DATE: _____, 2019.

11 PASSED BY THE COUNCIL _____ 2019

12 _____ - PRESIDENT

13 APPROVED: _____ - MAYOR _____ 2019

14 ATTEST: _____ - CLERK AND RECORDER,
15 EX-OFFICIO CLERK OF THE
16 CITY AND COUNTY OF DENVER
17

18 NOTICE PUBLISHED IN THE DAILY JOURNAL _____ 2019; _____ 2019

19
20 PREPARED BY: Charles T Solomon, Assistant City Attorney; DATE: _____

21
22 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of the
23 City Attorney. We find no irregularity as to form, and have no legal objection to the proposed
24 ordinance. The proposed ordinance **is not** submitted to the City Council for approval pursuant to §
25 3.2.6 of the Charter.
26

27 Kristin M. Bronson
28 City Attorney

29
30 BY: _____, _____ City Attorney

31 DATE: _____