

## 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.)**

Adopt CML Standardized Definitions for Sales & Use Taxation. This is a municipal code change request.

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)**

[See page 2 for a full description.](#)

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:** \_\_\_\_\_

## **Ordinance Description**

### **Standardized Definitions for Sales & Use Tax**

In 1992, home rule municipalities in conjunction with CML created a set of “standardized definitions” in an effort to simplify the administration of sales and use tax for the business community.

Over the last 25 years most of the definitions remain consistent, but with the development of new technologies some definitions have been altered and/or new definitions have been created to fit the current environment.

During the 2014 Colorado legislative session the General Assembly adopted SJR14-038 (see attached), which urged home rule municipalities to once again work together, along with CML, on a package of “uniform definitions” for voluntary adoption by home rule municipalities. In addition, the intent was for the definitions to not create a significant fiscal impact. The goal was to have a completed product ready for adoption by home rule municipalities by August 2016.

Representatives, from the home rule city community and CML worked throughout the remainder of 2014 and all of 2015 on creating a list of “standard definitions”. Beginning in early 2016 the group provided the definitions to various business stakeholder groups (CACI, NFIB, CADA, Retail Council, etc.) to obtain their feedback. Attached is a joint letter from these organizations supporting the standardized definitions. Upon incorporating some of the feedback the group then engaged with the CML Finance Directors group and the CML City Attorney Group to obtain their feedback. The process was completed in December 2016 (4 months past the General Assembly goal) and was ready for adoption by the home rule municipalities.

The recommendation from the working group and CML is not for home rule municipalities to adopt every definition. Rather, if a municipality needs to define a certain term the goal is for the municipality to use the “standardized definition”. Of course, there will be some “standardized definitions” that some municipalities simply will not be able to adopt in lieu of their current definition.

The City & County of Denver – Finance Department/Treasury Division is recommending that Denver adopt the standardized definitions that are needed for the proper administration of Chapter 53 DRMC.