Legislation Details (With Text)

File #:	17-0527	**Version:** 1	
Type:	Bill	**Status:**	Passed
File created:	5/1/2017	**In control:**	Finance & Governance Committee
On agenda:	6/19/2017	**Final action:**	

Title: A bill for an ordinance amending the City Retail Sales Tax Article, Article II, Chapter 53 of the Denver Revised Municipal Code and the City Use Tax Article, Article III, Chapter 53 of the Denver Revised Municipal Code to exempt the purchase of water from taxation.
Amends Articles II and III of Chapter 53 of the Denver Revised Municipal Code to expand the exemption of water from sales and use tax to reflect practices in neighboring jurisdictions. The Committee approved filing this bill at its meeting on 5-16-17.

Sponsors:

Indexes:

Code sections:

Attachments: 1. BR17 0527 DOF Exempt Water from Sales Use Taxation Language, 2. BR17 0527 DOF Exempt Water from Sales Use Taxation Request, 3. F&G - Exempt Water from S&U.pps, 4. 17-0527_BillforOrdinance_CityRetailSalesTaxWater_052517_CTS.pdf, 5. 17-0527 BillforOrdinance_CityRetailSalesTaxWater_052517_CTS.docx.pdf, 6. 17-0527 Filed Bill - Exempt Water from Taxation

Date	Ver.	Action By	Action	Result
6/29/2017	1	Mayor	signed	
6/27/2017	1	Council President	signed	
6/26/2017	1	City Council	placed upon final consideration and do pass	Pass
6/19/2017	1	City Council	ordered published on first reading	
5/16/2017	1	Finance & Governance Committee	approved for filing	Pass

Other/Miscellaneous Request Template (Appointments; ROW; Code Changes; Zoning Action, etc.)

Date Submitted: 05-02-17

Requesting Agency: Finance
Division: Treasury

Subject Matter Expert Name: Steve Ellington/Don Korte
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Item Title & Description:
(Do not delete the following instructions)
*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A bill for an ordinance amending the City Retail Sales Tax Article, Article II, Chapter 53 of the Denver Revised Municipal Code and the City Use Tax Article, Article III, Chapter 53 of the Denver Revised Municipal Code to exempt the purchase of water from taxation.
Amends Articles II and III of Chapter 53 of the Denver Revised Municipal Code to expand the exemption of water from sales and use tax to reflect practices in neighboring jurisdictions. The Committee approved filing this bill at its meeting on 5-16-17.

Affected Council District(s) or citywide? Citywide

Executive Summary with Rationale and Impact:
Detailed description of the item and why we are doing it. This can be a separate attachment.
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.

Address/Location (if applicable):

Legal Description (if applicable):

Denver Revised Municipal Code (D.R.M.C.) Citation (if applicable): Articles II & III of Chapter 53

Draft Bill Attached?