



Legislation Text

File #: 20-1305, Version: 1

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

Date Submitted: 11-02-20

Requesting Agency: Finance
Division:

Subject Matter Expert Name:

Name: Kiki Turner
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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 repealing and reenacting Articles I through VIII of Chapter 53 (Taxation and Miscellaneous Revenue) of the Revised Municipal Code, and enacting Article IX of Chapter 53 of the Revised Municipal Code.

Repeals and reenacts Articles I through VIII of Chapter 53 (Taxation and Miscellaneous Revenue) of the Denver Revised Municipal Code, and enacting Article IX of Chapter 53 of the Revised Municipal Code to reorganize the Chapter on taxation. The Committee approved filing this item at its meeting on 11-17-20.

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.

This ordinance request seeks to change to the DRMC Chapter 53. There are similar provisions in each tax article, including: some definitions; duty to file returns; duty to keep books and records; failure to remit collections; collection of disputed taxes; refund procedures; examination of returns; audits; assessment of tax, interest, and penalty; review of assessments by the Manager of Finance; appeals from the Manger of Finance's decisions, collections; etc.

The proposed ordinance creates a new administrative article - Article I - that contains the standard provisions that were formerly in Articles II through VIII; Incorporates housekeeping changes, such as standardized numbering and lettering format; Moves the provisions in the current Article I to a new Article IX; and Increases the readability of Articles I - IX (it reduced Chapter 53 from 142 single spaced pages to 66 single spaced pages by centralizing duplicative language into the new "Administrative" section).

This proposed ordinance will also add ballot measure 2A and ballot measure 2B, the two sales tax initiatives, approved by Denver voters on November 3, 2020 with the proper ordinance number scheme.

This code change will result in a few policy/procedure changes for standardization and clarification. Some of these changes are as follows:

- Will standardize the rulemaking process in DRMC 53-3 for all the excise taxes.
 - Will require taxpayers to keep books and records for 4 years or if they are under audit, until an audit is completed. Currently, taxpayers are required to keep books and records for a total of 4 years.
 - Will increase the amount of time from 60 days to 3 years to file a refund claim. Currently, purchasers have 60 days to file a refund claim, while vendors have 3 years to file a refund claim.
 - Will increase the maximum amount for a refund claim from \$150,000 to \$500,000. The \$150,000 limit has been in place for over 25 years.
 - Will authorize the suspension or revocation of a sales/use tax license for the non-payment of sales/use taxes.
 - Will eliminate an exemption from Sales Tax, Use Tax and Employer Occupational Privilege Tax for taxpayers that operate a large maintenance facility for interstate commerce. This exemption was enacted in early 90's to lure an aircraft maintenance base and has never been used.
 - Will eliminate the need for charitable organizations to apply for a letter of exemption directly with the city. Currently, the law requires 501(c)3 organizations to apply for a letter of exemption and the used to have to go through a gross receipts review. There is no longer a revenue threshold that precludes 501(c)3 organizations from being exempt, and therefore these entities should be able to just use their IRS designation instead of applying directly with the City.
 - Will redefine the Long Term stay tax exemption to apply to natural persons. The current exemption applies to "persons" which includes non-natural persons (businesses). This amendment will align the DRMC with recent changes made by the State of Colorado and City of Aurora.
- Address/Location (if applicable):**

Legal Description (if applicable):

Denver Revised Municipal Code (D.R.M.C.) Citation (if applicable):

Draft Bill Attached?