



Legislation Text

File #: 17-0529, Version: 1

**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 Articles I through IV, Article VI and Article VII of Chapter 53 (Taxation and Miscellaneous Revenue) of the Revised Municipal Code, to replace the City's tax exemption for charitable and religious corporations with a new tax exemption for non-profit organizations exempt under Internal Revenue Code 501(c) (3).**

Amends Chapter 53 of the Denver Revised Municipal Code relating to the definition of charitable corporation to expand its application to additional nonprofit organizations. 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, the definition of "Charitable Corporation" as listed in Chapter 53 of the Denver Revised Municipal Code is extremely narrow and does not apply to most nonprofit organizations. Therefore, these entities are not exempt from paying sales, use, lodger's and business occupational privilege taxes. Examples of nonprofits that are not currently exempt are Young Americans Center for Financial Education, Foundation for Excellence in Education, Open Door Youth Gang Alternatives...

The Department of Finance/Treasury Division is recommending that the City pursue amending the definition of "Charitable Corporation" to the following: "... any organization that has been exempted from federal income tax as a nonprofit organization in good standing under section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and that has applied for and received a valid letter of exemption from the Manager."

The DoF is recommending that the application of the new definition be phased-in beginning on 01/01/2018 with full implementation occurring beginning 01/01/2021.

**Address/Location (if applicable):**

**Legal Description (if applicable):**

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

**Draft Bill Attached?**