File #: 22-0901, **Version:** 1

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

Date Submitted: 8-1-2022

Requesting Agency: Finance
Division: Treasury

Subject Matter Expert Name: Don Korte
Email Address: Don.Korte@denvergov.org <mailto:Don.Korte@denvergov.org>
Phone Number:

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's Retail Sales Tax Article, Article II, Chapter 53 of the Denver Revised Municipal Code and the City's Use Tax Article, Article III, Chapter 53 of the Denver Revised Municipal Code to exempt from taxation certain fees.

Amends Chapter 53 of the Denver Revised Municipal Code to create a sales tax and use tax exemption for certain government fees. The Committee approved filing this item at its meeting on 8-2-2022.

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.

During the 2021 legislative session the Colorado General Assembly passed SB21-260 which imposed various delivery fees ($0.27 in total), to be remitted to the State Department of Revenue, on deliveries of tangible property. The Denver Revised Municipal Code, along with most other home rule municipalities, treat this mandatory fee as part of the purchase price and therefore subject to Denver sales and/or use tax. The proposed ordinance will exempt the delivery fee from the sales tax and use tax imposed by the Denver Revised Municipal Code. The delivery fee will still be imposed by the state, but it will no longer be subject to sales tax.

While looking into this issue, we discovered other government-imposed fees and we are recommending exempting most such fees from taxation.

Address/Location (if applicable):

Legal Description (if applicable):

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

Draft Bill Attached? Yes