

# STAFF MEMO

**DATE OF STUDY SESSION: NOVEMBER 2, 2020 / AGENDA ITEM NO. 3**

To: Mayor and City Council

From: Holly Björklund, Chief Financial Officer, 303-987-7601

Subject: **NEW REVENUE OPPORTUNITIES – SALES & USE TAX CODE AND REGULATIONS**

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**SUMMARY STATEMENT:** Staff will provide City Council an overview of new revenue opportunities for consideration, with a focus on the rewritten Sales & Use Tax Code and Regulations. All documents were distributed to City Council in advance of the Budget & Audit Board meeting (10/19/20). Suggested revisions from the Board will be incorporated and any revised documents will be sent to City Council prior to this study session.

**BACKGROUND INFORMATION:** City staff has revised Chapter 3.02 of the Lakewood Municipal Code (the “City Tax Code”) to incorporate the standardized definitions promulgated by a committee, which included City representatives, organized by the Colorado Municipal League as a result of Senate Joint Resolution (SJR 14-038). The intent of SJR 14-038 was to encourage self-collecting municipalities to help simplify their tax codes by using standized terminology. City staff took additional measures to transform the City Tax Code to be more user (business) friendly and to more clearly articulate current processes and tax determinations.

**BUDGETARY IMPACTS:** It is anticipated that the revised City Tax Code will result in better compliance and therefore, increased revenue.

**STAFF RECOMMENDATIONS:** Staff recommends City Council provide any specific questions in advance of the study session, so thoughtful answers may be researched and responded to suitably.

**ALTERNATIVES:** City Council may delay or forgo this presentation.

**PUBLIC OUTREACH:** This item was promoted through the regular communication channels for items that come before the City Council.

**NEXT STEPS:** Staff will incorporate feedback from the City Council in advance of the 1<sup>st</sup> Reading on November 23, 2020.

**ATTACHMENTS:** Tax Code Adoptions Overview  
Exhibit A – Home Rule Cities-Standardized Definitions Adoption  
Exhibit B – CMLs Standardized Definitions with Comparision to Current Definitions  
Exhibit C – Current Code Mapping to Revised Code  
Proposed Tax Code  
Proposed Regulations

**REVIEWED BY:** Kathleen E. Hodgson, City Manager  
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