

STAFF MEMO

DATE OF COUNCIL MEETING: NOVEMBER 23, 2020 / AGENDA ITEM NO. 11

To: Mayor and City Council

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

Subject: **AN ORDINANCE ADOPTING AN AMENDED CHAPTER 3.01 AND ANCILLARY MUNICIPAL CODE CHANGES**

SUMMARY STATEMENT: Staff has rewritten the Sales & Use Tax Code and attendant Regulations to incorporate standardized definitions and simplified language, which is being presented as part of an effort to explore new revenue opportunities.

BACKGROUND INFORMATION: The Lakewood Municipal Code (“LMC”) has been revised to incorporate the standardized definitions that resulted from Senate Joint Resolution 14-038. The intent of this resolution was to simplify taxation by having the municipalities that self-collect sales and use tax use standardized terminology in their tax codes. The City of Lakewood took additional measures to transform its tax code to be more user (business) friendly and more clearly articulate current processes and tax determinations. Additionally, as a result of these, LMC section 3.01.085 is being incorporated into LMC chapter 3.26, which, in turn, necessitated additional changes to that chapter.

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

STAFF RECOMMENDATIONS: Staff recommends that City Council adopt the Ordinance.

ALTERNATIVES: Leave the sales tax code and regulations as they currently exist.

PUBLIC OUTREACH: This item was promoted through the regular communication channels for items that come before the City Council, and staff sought input from local business groups and two other municipalities.

NEXT STEPS: Ordinance 2nd Reading and Tax Regulations Resolution on December 14, 2020

ATTACHMENTS: Ordinance O-2020-32
Revised Sales & Use Tax Code

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Timothy P. Cox, City Attorney