DATE OF COUNCIL MEETING: DECEMBER 14, 2020 / AGENDA ITEM NO. 9

To: Mayor and City Council

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

Subject: A RESOLUTION ADOPTING SALES & USE TAX RULES AND REGULATIONS FOR CHAPTER 3.01

SUMMARY STATEMENT: Staff rewrote the Sales & Use Tax Code to incorporate standardized definitions and simplified language, as discussed in the Staff Memo for Ordinance O-2020-32. Staff has also drafted the attached Sales & Use Tax Rules and Regulations (the “Regulations”) to accompany the rewritten Sales & Use Tax Code, which provides the City’s taxpayers with a guide to understanding and complying with rewritten Tax Code.

BACKGROUND INFORMATION: The Regulations have been revised to reflect the changes made to the Tax Code to incorporate the standardized definitions, as well as other modifications to make the Tax Code more user (business) friendly and to more clearly articulate current processes and tax determinations.

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

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

ALTERNATIVES: Leave the sales and use 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: N/A

ATTACHMENTS: Resolution 2020-49
Revised Regulations

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