

1 BY AUTHORITY

2 ORDINANCE NO. _____
3 SERIES OF 2009

COUNCIL BILL NO. 598
COMMITTEE OF REFERENCE:
4 Finance

5 **A BILL**

6 **For an ordinance to amend Chapter 53 to eliminate discount allowance.**

7 **WHEREAS**, the discount allowance has outlived its historic purpose;

8 **NOW THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF**
9 **DENVER:**

10
11 **Section 1.** That Chapter 53-27(e), "Retailers to collect tax", of the Revised Municipal Code is
12 hereby amended by deleting the language stricken as follows:

13 (e) *Retailer as collecting agent.* The retailer shall be entitled as collecting agent of the city to
14 apply and credit the amount of his collections of the tax levied by this article against the amount
15 required to be paid over by him under the provisions of section 53-28, remitting any excess of
16 collections over the amount required by section 53-28 ~~less the one-half of one (.5) percent~~
17 ~~vendor discount allowance, if applicable,~~ to the manager in the retailer's next periodic sales tax
18 return.

19
20 **Section 2.** That Chapter 53-28(a), "Retailer responsible for payment of tax", of the Revised
21 Municipal Code is hereby amended by adding the punctuation underlined and deleting the
22 language stricken as follows:

23 (a) *Amount.* Every retailer shall, irrespective of other provisions of this article, be liable and
24 responsible for the payment of an amount equivalent to three and sixty-two one-hundredths
25 (3.62) percent of the retailer's gross taxable sales of commodities or services specified in this
26 article, except: (1) Aviation and railway fuel, as to which the rate of four cents (\$0.04) for each
27 gallon purchased shall apply; (2) Automotive vehicles when they are for any term of thirty (30)
28 days or less hired for use, rented, leased or transferred under a grant of a license to use, as to
29 which a rate of taxation as set forth in section 53-27(b)(2) shall apply; and (3) Food and
30 beverages not exempted from taxation under section 53-26(8) of this article, as to which the rate
31 of four (4) percent shall apply, and for each of which respective rates aforesaid the retailer shall
32 be liable for an equivalent amount; and every retailer shall on or before the twentieth day of each
33 month pay over such amount and make a return to the manager, ~~less one-half of one (.5)~~
34 ~~percent of such amount as a discount allowable for prompt payment. If any vendor is delinquent~~
35 ~~in remitting the tax levied by this article, other than in unusual circumstances shown to the~~
36 ~~satisfaction of the manager, the vendor shall not be allowed to retain any discount allowable for~~
37 ~~prompt payment, and the full amount shall be remitted to the manager by any such delinquent~~
38 ~~vendor, together with any other applicable penalty or interest payable under the terms of this~~
39 ~~article.~~

1 **Section 3.** That Chapter 53-98(h), "Retailers to collect tax", of the Revised Municipal Code is
2 hereby amended by deleting the language stricken as follows:

3 (h) *Retailer as collecting agent.* The retailer shall be entitled as collecting agent of the city to
4 apply and credit the amount of his collections of the tax levied by this article against the amount
5 required to be paid over by him under the provisions of section 53-99, remitting any excess of
6 collections over the amount required by section 53-99 of this Code ~~less the one-half of one (.5)~~
7 ~~percent vendor discount allowance, if applicable,~~ to the manager in the retailer's next periodic tax
8 return.

9
10 **Section 4.** That Chapter 53-99(a), "Retailer responsible for payment of tax", of the Revised
11 Municipal Code is hereby amended by adding the punctuation underlined and deleting the
12 language stricken as follows:

13 (a) *Amount.* Every retailer shall, irrespective of other provisions of this article, be liable and
14 responsible for the payment of an amount equivalent to three and sixty-two one-hundredths
15 (3.62) percent of gross taxable sales made by him of services and tangible personal property
16 specified in this article, except: (1) aviation and railway fuel, as to which the rate of four cents
17 (\$0.04) for each gallon purchased shall apply, (2) automotive vehicles when they are for any
18 term of thirty (30) days or less hired for use, rented, leased or transferred under a grant of a
19 license to use, as to which a rate of taxation as set forth in section 53-98(b)(2) shall apply, and
20 (3) food and beverages not exempted from taxation under section 53-26(8) of the city retail sales
21 tax article, as to which the rate of four (4) percent shall apply, and for each of which respective
22 rates aforesaid the retailer shall be liable for an equivalent amount; and every retailer shall on or
23 before the twentieth day of each month pay over such amount and make a return to the
24 manager, ~~less one-half of one (.5) percent of such amount as a discount allowable for prompt~~
25 ~~payment. If any vendor is delinquent in remitting the tax levied by this article, other than in~~
26 ~~unusual circumstances shown to the satisfaction of the manager, the vendor shall not be allowed~~
27 ~~to retain any discount allowable for prompt payment, and the full amount shall be remitted to the~~
28 ~~manager by any such delinquent vendor, together with any other applicable penalty or interest~~
29 ~~payable under the terms of this article.~~

30
31 **Section 5.** That Chapter 53-174(a), "Vendor responsible for payment of tax", of the Revised
32 Municipal Code is hereby amended by adding the punctuation underlined and deleting the
33 language stricken as follows:

34 (a) *Amount.* Every vendor shall add the tax imposed by section 53-171 to the purchase price or
35 charge for lodging, and the vendor shall be liable and responsible to the city for the payment on
36 a monthly basis of an amount equivalent to such tax on all gross taxable sales, and also liable
37 and responsible to the city for any collection in excess of that equivalent amount, ~~less one-half~~
38 ~~of one (.5) percent of such amount as a discount allowable for prompt payment. If any vendor is~~
39 ~~delinquent in remitting the tax levied by this article, other than in unusual circumstances shown~~
40 ~~to the satisfaction of the manager, the vendor shall not be allowed to retain any discount~~
41 ~~allowable for prompt payment, and the full amount shall be remitted to the manager by any such~~
42 ~~delinquent vendor, together with any other applicable penalty or interest payable under the terms~~
43 ~~of this article.~~

44
45 **Section 6.** These amendments take effect for all tax returns due on or after November 20,
46 2009.

1 COMMITTEE APPROVAL: October 7, 2009
2 MAYOR-COUNCIL DATE: October 13, 2009
3 PASSED BY THE COUNCIL _____ 2009

4 _____ - PRESIDENT
5 APPROVED: _____ - MAYOR _____ 2009
6 ATTEST: _____ - CLERK AND RECORDER,
7 EX-OFFICIO CLERK OF THE
8 CITY AND COUNTY OF DENVER

9 NOTICE PUBLISHED IN THE DAILY JOURNAL _____ 2009; _____ 2009

10 PREPARED BY: Laurie Heydman - ASSISTANT CITY ATTORNEY - October 15, 2009

11 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of the
12 City Attorney. We find no irregularity as to form, and have no legal objection to the proposed
13 ordinance. The proposed ordinance IS NOT submitted to the City Council for approval pursuant to
14 §3.2.6 of the Charter.

15
16 David R. Fine, City Attorney

17 BY: _____, _____ City Attorney - _____ 2009