

ORDINANCE NO. 2295

INTRODUCED BY: _____

AN ORDINANCE AMENDING THE COMMERCE CITY SALES AND USE TAX CODE, ARTICLE I OF CHAPTER 20 OF THE COMMERCE CITY REVISED MUNICIPAL CODE, TO EXEMPT THE PASSTHROUGH OF FEDERAL EXCISE TAX IMPOSED ON TRUCKS, TRAILERS, AND TRACTORS FROM TAXATION

WHEREAS, 26 U.S.C. § 4051 imposes a federal excise tax (“FET”) on retailers of certain trucks, trailers, and tractors that may be passed on to customers through the inclusion of the FET in the price charged for trucks, trailers, and tractors;

WHEREAS, because the City of Commerce City (“City”) assesses sales and use tax on the purchase price, as defined in Article I of Chapter 20 of the Commerce City Revised Municipal Code, the City’s sales and use tax is assessed on the FET when the FET is included in the purchase price of trucks, trailers, and tractors;

WHEREAS, the City Council desires to exempt the FET from the City’s sales and use taxes when it is separately stated from the purchase price of a relevant vehicle;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COMMERCE CITY, COLORADO AS FOLLOWS:

SECTION 1. This ordinance and changes to the Commerce City Sales and Use Tax Code are found to be supported and authorized by law and in the best interests of and necessary for the protection of the health, safety, and welfare of the public.

SECTION 2. Section 20-5 of Article I of Chapter 20 of the Commerce City Revised Municipal Code, the Commerce City Sales and Use Tax Code, is amended by the enactment of a new subsection V as follows:

Section 20-5 – EXEMPT TRANSACTIONS, COMMODITIES, AND “PERSONS”

V. Federal Excise Tax on the Sale of Heavy Trucks

The City sales and use tax shall not apply to the federal excise tax imposed in 26 U.S.C. § 4051, as such section existed on September 1, 2020 and as may be amended from time to time, on the sale of heavy trucks, trailers, and tractors, provided: (a) the retailer collects the federal excise tax from the purchaser at the time of sale of the truck, trailer, or tractor and properly reports and pays the federal excise tax; and (b) the invoice or sales receipt that the retailer provides at the time of sale of the truck, trailer, or tractor to the purchaser separately states the amount of federal excise tax that the retailer paid for the truck, trailer, or tractor.

SECTION 3. The recitals to this ordinance are incorporated as findings of fact.

SECTION 4. This ordinance shall be effective upon approval by the City Council on second and final reading.

INTRODUCED, PASSED ON FIRST READING AND PUBLIC NOTICE ORDERED
THIS 5TH DAY OF OCTOBER 2020.

PASSED ON SECOND AND FINAL READING AND PUBLIC NOTICE ORDERED
THIS ____ DAY OF _____ 2020.

CITY OF COMMERCE CITY, COLORADO

Benjamin A. Huseman, Mayor

ATTEST

Dylan A. Gibson, City Clerk