



FINANCE MEMORANDUM
#17-12

DATE: September 25, 2017

TO: Honorable Mayor Joyce Downing and City Council Members

FROM: James A. Hayes, AICP, City Manager 
Jason Loveland, Director of Finance 
Ken Martinez, Sales Tax Manager

SUBJECT: CB-1898 Sales Tax Definitions

PURPOSE:

Council is considering sales tax definition updates, which do not change current tax status, to Section 5-3 of the Municipal Code.

BACKGROUND:

In 2014 the state legislature passed Senate Joint Resolution 14-038 concerning uniform sales and use tax definitions for home rule municipalities. This was after discussions between the Colorado Municipal League (CML) and the business community, principally representatives of the Colorado Association of Commerce and Industry and the Colorado Retail Council. The resolution urged home rule municipalities to work through the Colorado Municipal League to develop a package of uniform definitions recommended for adoption by all home rule, locally collecting municipalities. This project was undertaken once before in 1992. However, through the years definitions have either been changed or new ones added at the municipal level. A uniform package of definitions ensures that while the taxability of an item may vary from one municipality to another, at least how something is defined will be consistent throughout the state. This is particularly important for businesses that operate in multiple jurisdictions.

This ordinance incorporates the updated definitions. The intent of the project is that the taxable nature or exempt nature of any particular item will not change with adoption of the definitions or that any change will be de minimis. Finance staff in coordination with the City Attorney's office have evaluated the definitions and their incorporation into the city's code to ensure that there is either no change in taxability or that any change is de minimis for purposes of compliance with TABOR.

Changes to the definitions were included in the Draft Ordinance attached. In order to maintain tax policy as to what is subject to or exempt from taxation in Northglenn, other edits to the code are included.

In addition to the definition changes, the modifications to the code are included:

- Section 5-3-5(11) The wording in (11) was changed from "Vending Machines" to "sales at coin operated devices...". Coin Operated Device is specifically identified in the new definitions and the change was made for consistency.
 - Section 5-3-5(13) The wording in (13) was changed to add "for home consumption" to "Food". The change was made for clarification.
 - Section 5-3-5(15) Related to 5-3-5(11) above, the terminology, "Vending Machines" is replaced in three places to "Coin Operated Device" to maintain consistency with the new definitions.

- Section 5-3-5(16) is changed to remove “taxable” from the phrase, “gross taxable sales” to specify the difference between gross taxable sales and gross sales when the bad debt collection process is completed by the taxpayer.
- Section 5-3-6(d)(3) is changed to eliminate “Exempt” from the phrase, “Exempt Commercial Packaging Materials as defined herein”. “Exempt” is redundant in this section.
- Section 5-3-6 (d)(13) is changed to remove the word “taxable”. This is another clarification of the type of sales taxpayers should apply calculations to when figuring their discounts and allowances.
- Section 5-3-6(d)(15) Changes included clarifying prescription drugs for humans as exempted from tax. The terminology was changed from “Drugs dispensed in accordance with a prescription.”
- Section 5-3-6(d)(31) “for home consumption” is added to the section exempting food bought under Federal assistance programs.
- Section 5-3-17(a) “Vending Machine” is replaced with “Coin Operated Device” to maintain consistency with the new definitions.

“Finance Director” replaces other variations to include, “Director of Finance”, in several sections of the Code, 5-3-6(b), 5-3-6(d)(1), 5-3-7(a), 5-3-7(b), 5-3-7(d), 5-3-7.5(a), 5-3-10(b)(1), 5-3-10(b)(2), 5-3-12, 5-3-13(a), 5-3-13(b)(1)(i), 5-3-13(b)(1)(ii), 5-3-13(b)(3)(i), 5-3-13(b)(3)(ii), 5-3-13(b)(3)(iii), 5-3-13(b)(3)(iv), 5-3-13(b)(3)(v), 5-3-15, 5-3-17(b), 5-3-17(c), 5-3-18(a), 5-3-18(c), 5-3-19(a), 5-3-21(a), 5-3-23(a), 5-3-23(b)(iii), 5-3-24(a)

UPDATE:

The finance committee reviewed the changes at their July 25, 2017 meeting. The committee did not identify concerns with the definition changes and directed staff to bring the changes forward for approval.

BUDGET IMPLICATIONS:

The definition changes do not impact the budget.

RECOMMENDATION:

Staff recommends approval on first reading, to set the public hearing for Oct. 9, 2017, to update the sales tax definitions in the Municipal Code.

STAFF REFERENCE:

If Councilmembers have any comments or questions, you may contact Jason Loveland at jloveland@northglenn.org or at 303-450-8817.

SPONSORED BY: MAYOR DOWNING

COUNCILMAN'S BILL

ORDINANCE NO.

No. CB-1898
Series of 2017

Series of 2017

A BILL FOR AN ORDINANCE AMENDING CHAPTER 5, ARTICLE 3 OF THE NORTHGLENN MUNICIPAL CODE PERTAINING TO SALES AND USE TAX DEFINITIONS AND EXEMPTIONS

WHEREAS, the General Assembly asked the Colorado Municipal League to revive the tax simplification project from the 1990's to address current systemic issues associated with local tax collection; and

WHEREAS, Council has determined that the standard tax definitions project is a major collaborative sales tax simplification initiative by Colorado's home rule municipalities that locally collect their sales tax and the retail business community; and

WHEREAS, Council has determined that the City will cooperate in furtherance of a statewide goal to have all locally collecting municipalities agree to use standard definitions in their sale and use tax codes; and

WHEREAS, Council has determined that maintaining the local collection of sales and use taxes for the City is of paramount importance to the continued financial strength of the City; and

WHEREAS, Council has determined that the retail business community desires better uniformity and simplicity when operating in the City; and

WHEREAS, Council has determined that sales tax revenue is directly tied to how well the City's retail business community is faring, Council and staff have generally supported the idea that the City should simplify the tax code, without sacrificing revenue; and

WHEREAS, Council has determined that revenue neutral tax simplification is generally construed as good for business and good for the community as a whole; and

WHEREAS, Council has determined that modification of the City's sales and use tax exemptions is required in an effort to comply with the Taxpayer Bill of Rights by staying revenue neutral.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. Section 5-3-3 of the Northglenn Municipal Code is hereby amended by the

revision of subsection 5-3-3(a) and by the addition of a new subsection 5-3-3(h) to read as follows:

(a) Sales Tax: A sales tax rate of four percent (4%) is hereby levied upon all sales of tangible personal property and services specified in Section 5-3-5, with the exception of food for domestic home consumption as defined in Section 5-3-4(a)(27). A sales tax rate of three percent (3%) is levied upon all sales of food for domestic home consumption. All sales from retail, unless otherwise exempt, are subject to the sales tax. The ~~vendor~~ RETAILER must collect the tax from the purchaser. For accommodation services less than thirty consecutive (30) days, the tax rate levied shall be five percent (5%).

(H) NOTICE. ALL NOTICES REQUIRED TO BE GIVEN UNDER THE PROVISIONS OF THIS CODE SHALL BE IN WRITING AND GIVEN PERSONALLY OR BY MAIL IN WHICH EVENT NOTICE SHALL BE SUFFICIENT FOR THE PURPOSE OF THIS CODE UNLESS CONTEXT INDICATES OTHERWISE, IF MAILED POSTPAID BY CERTIFIED OR REGISTERED MAIL TO THE ADDRESSEE'S LAST KNOWN ADDRESS AS SHOWN ON THE CITY'S TAX RECORDS OR THE PROPERTY TAX RECORDS OF ANY COUNTY WHEREIN THE TAXPAYER OWNS PROPERTY TAXABLE UNDER THE GENERAL PROPERTY TAX LAWS OF THE STATE OF COLORADO.

Section 2. Section 5-3-4 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-4. General Terms, Distinction, Words and Phrases Defined.

(a) Definitions. When not clearly otherwise indicated by the context, the following terms, words, and phrases as used in the Code shall have the following meanings:

~~(1) — "Access Services" means the services furnished by a local exchange company to its customers who provide telecommunications services which allow them to provide such telecommunications services.~~

(2)(1) "**Accommodation**" means the furnishing of rooms or accommodations by any person, partnership, association, corporation, estate, representative capacity or any other combination of individuals by whatever name known to a person who for a consideration uses, possesses, or has the right to use or possess any room in a hotel, inn, bed and breakfast residence, apartment hotel, lodging house, motor hotel, guest house, guest ranch, trailer coach, mobile home, auto camp, or trailer court and park, or similar establishment, for a period of less than thirty days under any concession, permit, right of access, license to use, or other agreement, or otherwise.

~~(3) — "Adjusted Gross Sales and Services" means gross sales and services with the addition of;~~

~~(i) — Cost of goods purchased tax free by taxpayer and taken from his~~

~~stock and used or consumed by him personally or used by him in the rendering of a service.~~

~~(ii) — Collection, during the current taxable period, of bad debts that had, during a previous taxable period, been deducted from adjusted gross sales and services.~~

~~(4) — "Auction Sale" means any sale where tangible personal property is sold by an auctioneer who is either the agent for the owner of such property or is in fact the owner of such property or is in fact the owner thereof.~~

(2) “AUCTION” MEANS ANY SALE WHERE TANGIBLE PERSONAL PROPERTY IS SOLD BY AN AUCTIONEER WHO IS EITHER THE AGENT FOR THE OWNER OF SUCH PROPERTY OR IS IN FACT THE OWNER THEREOF.

~~(5)(3) "Automotive Vehicle" means any vehicle or device in, upon, or by which any person or property is or may be transported or drawn upon a public highway, or any device used or designed for aviation or flight in the air. Automotive vehicle includes, but is not limited to, motor vehicles, trailers, semi-trailers, or mobile homes. Automotive vehicle shall not include devices moved by human power or used exclusively upon stationary rails or tracks.~~

~~(6)(4) "Business" means all activities engaged in or caused to be engaged in with the object of gain, benefit or advantage, direct or indirect.~~

~~(7) — "Capital Expenditure" as used in this ordinance means an expenditure made by the City of Northglenn for the purpose of providing a permanent addition or improvement to property of the City made with the expectation of existence for an indefinite period. The term furthermore includes those expenditures for that category of items which, when privately owned, are treated as depreciable by the United States Internal Revenue Service for income tax purposes, including but not limited to, the purchase of major equipment and motor vehicles.~~

(5) “CARRIER ACCESS SERVICES” MEANS THE SERVICES FURNISHED BY A LOCAL EXCHANGE COMPANY TO ITS CUSTOMERS WHO PROVIDE TELECOMMUNICATIONS SERVICES WHICH ALLOW THEM TO PROVIDE SUCH TELECOMMUNICATIONS SERVICES.

~~(8)(6) "Charitable Organization" means any entity organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provisions of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on~~

~~behalf of any candidate for public office.~~ MEANS ANY ENTITY WHICH: (1) HAS BEEN CERTIFIED AS A NONPROFIT ORGANIZATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, AND (2) IS AN ORGANIZATION WHICH EXCLUSIVELY, AND IN A MANNER CONSISTENT WITH EXISTING LAWS AND FOR THE BENEFIT OF AN INDEFINITE NUMBER OF PERSONS OR ANIMALS, FREELY AND VOLUNTARILY MINISTERS TO THE PHYSICAL, MENTAL, OR SPIRITUAL NEEDS OF PERSONS OR ANIMALS, AND THEREBY LESSENS THE BURDEN OF GOVERNMENT.

~~(9)~~(7) "**City**" or "**Town**" means the municipality of the City of Northglenn.

~~(10)~~ "**City Council**" means the elected legislative body of the City of Northglenn.

~~(11)~~ "**City Manager**" or "**Manager**" means the City Manager of the City of Northglenn or any duly authorized agent or representative acting in his stead or behalf.

~~(12)~~(8) "**Code**" means the Sales and Use Tax Code of the City of Northglenn or any of the adopted Codes of the City of Northglenn as the context indicates.

(9) "**COIN OPERATED DEVICE**" MEANS ANY DEVICE OPERATED BY COINS OR CURRENCY OR ANY SUBSTITUTE THEREFOR.

~~(13)~~(10) "**Coin-Operated Laundry Equipment**" means ~~equipment, operated by use of currency or token~~ A COIN-OPERATED DEVICE, normally used to provide the service of cleaning and drying of clothing and other apparel.

(11) "**COMMERCIAL PACKAGING MATERIALS**" MEANS CONTAINERS, LABELS, AND/OR CASES, THAT BECOME PART OF THE FINISHED PRODUCT TO THE PURCHASER, USED BY OR SOLD TO A PERSON ENGAGED IN MANUFACTURING, COMPOUNDING, WHOLESALING, JOBBING, RETAILING, PACKAGING, OR DISTRIBUTING OR BOTTLING FOR SALE, PROFIT OR USE, AND IS NOT RETURNABLE TO SAID PERSON FOR REUSE. COMMERCIAL PACKAGING MATERIALS DOES NOT INCLUDE COMMERCIAL SHIPPING MATERIALS.

(12) "**COMMERCIAL SHIPPING MATERIALS**" MEANS MATERIALS THAT DO NOT BECOME PART OF THE FINISHED PRODUCT TO THE PURCHASER WHICH ARE USED EXCLUSIVELY IN THE SHIPPING PROCESS. COMMERCIAL SHIPPING MATERIALS INCLUDE BUT ARE NOT LIMITED TO CONTAINERS, LABELS, PALLETS, BANDING MATERIAL AND FASTENERS, SHIPPING CASES, SHRINK WRAP, BUBBLE WRAP OR OTHER FORMS OF BINDING, PADDING OR PROTECTION.

(13) "**CONSTRUCTION EQUIPMENT**" MEANS ANY EQUIPMENT, INCLUDING MOBILE MACHINERY AND MOBILE EQUIPMENT, WHICH IS USED TO

ERECT, INSTALL, ALTER, DEMOLISH, REPAIR, REMODEL, OR OTHERWISE MAKE IMPROVEMENTS TO ANY REAL PROPERTY, BUILDING, STRUCTURE OR INFRASTRUCTURE.

(14) "**Construction Materials**" means tangible personal property which, when combined with other tangible personal property, loses its identity to become an integral and inseparable part of a completed structure or project including public and private improvements. Construction materials include, but are not limited to, such things as; asphalt, bricks, builders' hardware, caulking material, cement, concrete, conduit, electric wiring and connections, fireplace inserts, electrical heating and cooling equipment, flooring, glass, gravel, insulation, lath, lead, lime, lumber, macadam, millwork, mortar, oil, paint, piping, pipe valves and pipe fittings plaster, plumbing fixtures, putty, reinforcing mesh, road base, roofing, sand, sanitary sewer pipe, sheet metal, site lighting, steel, stone, stucco, tile, trees, shrubs and other landscaping materials, wall board, wall coping, wallpaper, weather stripping, wire netting and screen, water mains and meters, and wood preserver. The above materials, when used for forms, or other items which do not remain as an integral or inseparable part of a completed structure or project are not construction materials.

(15) "**Consumer**" ~~means (A) any individual person or (B) persons engaged in business in the City who uses, stores, distributes or otherwise consumes in the City tangible personal property or taxable services purchased from sources inside or outside the City.~~ MEANS ANY PERSON IN THE CITY WHO PURCHASES, USES, STORES, DISTRIBUTES OR OTHERWISE CONSUMES TANGIBLE PERSONAL PROPERTY OR TAXABLE SERVICES, PURCHASED FROM SOURCES INSIDE OR OUTSIDE THE CITY.

~~(16) — "Consumption" means the act or process of consuming; it includes waste, destruction, or use. Consumption is the normal use of property for the purpose for which it was intended.~~

~~(17)~~(16) "**CONTRACTOR**" MEANS ANY PERSON WHO SHALL BUILD, CONSTRUCT, RECONSTRUCT, ALTER, EXPAND, MODIFY, OR IMPROVE ANY BUILDING, DWELLING, STRUCTURE, INFRASTRUCTURE, OR OTHER IMPROVEMENT TO REAL PROPERTY FOR ANOTHER PARTY PURSUANT TO AN AGREEMENT. FOR PURPOSES OF THIS DEFINITION, CONTRACTOR ALSO INCLUDES SUBCONTRACTOR.

~~(18)~~(17) "**DATA PROCESSING EQUIPMENT**" MEANS ANY EQUIPMENT OR SYSTEM OF EQUIPMENT USED IN THE STORAGE, MANIPULATION, MANAGEMENT, DISPLAY, RECEPTION OR TRANSMISSION OF INFORMATION.

~~(17) — "Department of Finance" or "Department" means the Department of Finance of the City of Northglenn, of which the Sales and Use Tax Division is a part.~~

(18) **“DIGITAL PRODUCT”** MEANS AN ELECTRONIC PRODUCT INCLUDING, BUT NOT LIMITED TO: (1) “DIGITAL IMAGES” WHICH MEANS WORKS THAT INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING THAT ARE GENERALLY RECOGNIZED IN THE ORDINARY AND USUAL SENSE AS “PHOTOGRAPHS,” “LOGOS,” “CARTOONS,” OR “DRAWINGS.” (2) “DIGITAL AUDIO-VISUAL WORKS” WHICH MEANS A SERIES OF RELATED IMAGES WHICH, WHEN SHOWN IN SUCCESSION, IMPART AN IMPRESSION OF MOTION, TOGETHER WITH ACCOMPANYING SOUNDS, IF ANY, (3) “DIGITAL AUDIO WORKS” WHICH MEANS WORKS THAT RESULT FROM THE FIXATION OF A SERIES OF MUSICAL, SPOKEN, OR OTHER SOUNDS, INCLUDING RINGTONES. FOR PURPOSES OF THE DEFINITION OF “DIGITAL AUDIO WORKS,” “RINGTONES” MEANS DIGITIZED SOUND FILES THAT ARE DOWNLOADED ONTO A DEVICE AND THAT MAY BE USED TO ALERT THE CUSTOMER WITH RESPECT TO A COMMUNICATION, AND (4) “DIGITAL BOOKS” WHICH MEANS WORKS THAT ARE GENERALLY RECOGNIZED IN THE ORDINARY AND USUAL SENSE AS “BOOKS.”

~~(18) **“Distinction Between Sales and Use Tax”** The primary distinction between the Sales Tax and Use Tax is that the Sales Tax is collected by persons engaged in business in the City from the purchaser or consumer and such person pays the tax to the City, while in the absence of that tax charge, then the Use Tax is levied directly upon the person who purchases the commodities or services and uses the same in Northglenn, which person must make remittance of the tax, together with returns showing the purchase and the use of articles which are subject to the tax, directly to the City of Northglenn.~~

~~Provided, that in accordance with the Sales and Use Tax Code any person engaged in business in the City of Northglenn and making sales, even though not maintaining an office in the City, of property or services subject to the Use Tax, must collect and remit the Use Tax on such sales in like manner as Northglenn persons collect and remit the Sales Tax.~~

~~The Sales and Use Tax are complements to each other and together provide a uniform tax on the sales, purchase, use, storage, distribution or consumption of all tangible personal property and taxable services purchased, leased or rented at retail as herein defined.~~

(19) **“Distribution”** means the act of distributing any article of tangible personal property purchased at retail for use or consumption, which may include, but not be limited to, the distribution of advertising gifts, shoppers' guides, catalogues, directories, or other property given as prizes, premiums, or for goodwill or in conjunction with the sales of other commodities or services. FOR USE OR CONSUMPTION, WHICH MAY INCLUDE, BUT NOT BE LIMITED TO, THE DISTRIBUTION OF ADVERTISING GIFTS, SHOPPERS GUIDES, CATALOGS, DIRECTORIES, OR OTHER PROPERTY GIVEN AS PRIZES, PREMIUMS, OR FOR GOODWILL OR IN CONJUNCTION WITH THE SALES OF OTHER COMMODITIES OR SERVICES.

~~(20) — "Drugs Dispensed in Accordance With a Prescription" means drugs dispensed in accordance with any order in writing, dated and signed by a licensee practitioner of the healing arts, or given orally by a practitioner, and immediately reduced to writing specifying the name and address of the person for whom the medicine, drug or poison is offered and directions, if any, to be placed on the label.~~

~~(21)~~(20) **"Engaged in Business in the City"** means performing or providing services or selling, leasing, renting, delivering or installing tangible personal property for storage, use or consumption within the City. Engaged in business in the City includes, but is not limited to, any one of the following activities by a person: ~~(i)~~(1) Directly, indirectly, or by a subsidiary maintains a building store, office, salesroom, warehouse, or other place of business within the taxing jurisdiction; ~~(ii)~~(2) Sends one or more employees, agents or commissioned sales persons into the taxing jurisdiction to solicit business or to install, assemble, repair, service, or assist in the use of its products, or for demonstration or other reasons; ~~(iii)~~(3) Maintains one or more employees, agents or commissioned sales persons on duty at a location within the taxing jurisdiction; ~~(iv)~~(4) Owns, leases, rents or otherwise exercises control over real or personal property within the taxing jurisdiction; or ~~(v)~~(5) Makes more than one delivery into the taxing jurisdiction within a twelve month period BY ANY MEANS OTHER THAN A COMMON CARRIER.

~~(22)~~(21) **"Excess Tax"** means that amount of tax collected during a reporting period that is in excess of four percent (4%) of City net taxable sales and services other than food for domestic home consumption (which is taxed at three ~~and one-half~~ percent (3.5%), and which excessive collection must be remitted to the City using the method prescribed in Section 5-3-15.

~~(23)~~(22) **"Exemptions"** means those deductions from adjusted gross sales ~~and services~~ in order to arrive at a taxable base, which exemptions may include exempt transactions (in whole or in part), sales or purchase of exempt commodities, articles or services, or sale to exempt "persons" who may either be exempt on their direct purchase or exempt on the type of commodity, articles or services purchased, all as set forth in Section 5-3-6 herein.

~~(24) — "Exempt Commercial Packaging Materials" means containers, labels and shipping cases by a person engaged in manufacturing, compounding, wholesaling, jobbing, retailing, packaging, distributing or bottling for sale, profit or use that meets all of the following conditions:~~

~~(i) — is used by the manufacturer, compounder, wholesaler, jobber, retailer, packager, distributor or bottler to contain or label the finished product;~~

~~(ii) — is transferred by said person along with and as a part of the finished product to the purchaser; and~~

~~(iii) — is not returnable to said person for reuse.~~

(23) **“FACTORY BUILT HOUSING”** MEANS A MANUFACTURED HOME OR MODULAR HOME.

~~(25)~~(24) **"Farm Closeout Sale"** means full and final disposition of all tangible personal property previously used by a farmer or rancher in farming or ranching operations which are being abandoned.

(25) **“FARM EQUIPMENT”** MEANS ANY FARM TRACTOR, AS DEFINED IN SECTION 42-1-102(33), C.R.S., ANY IMPLEMENT OF HUSBANDRY, AS DEFINED IN SECTION 42-1-102(44), C.R.S., AND IRRIGATION EQUIPMENT HAVING A PER UNIT PURCHASE PRICE OF AT LEAST ONE THOUSAND DOLLARS (\$1,000.00). FARM EQUIPMENT ALSO INCLUDES, REGARDLESS OF PURCHASE PRICE, ATTACHMENTS AND BAILING WIRE, BINDERS TWINE AND SURFACE WRAP USED PRIMARILY AND DIRECTLY IN ANY FARM OPERATION. FARM EQUIPMENT ALSO INCLUDES, REGARDLESS OF PURCHASE PRICE, PARTS THAT ARE USED IN THE REPAIR OR MAINTENANCE OF THE FARM EQUIPMENT DESCRIBED IN THIS PARAGRAPH, ALL SHIPPING PALLETS, CRATES, OR AIDS PAID FOR BY A FARM OPERATION, AND AIRCRAFT DESIGNED OR ADAPTED TO UNDERTAKE AGRICULTURAL APPLICATIONS. FARM EQUIPMENT ALSO INCLUDES, REGARDLESS OF PURCHASE PRICE, DAIRY EQUIPMENT. EXCEPT FOR SHIPPING PALLETS, CRATES OR AIDS USED IN THE TRANSFER OR SHIPPING OF AGRICULTURAL PRODUCTS, FARM EQUIPMENT DOES NOT INCLUDE: (1) VEHICLES SUBJECT TO THE REGISTRATION REQUIREMENTS OF SECTION 42-3-103, C.R.S., REGARDLESS OF THE PURPOSE FOR WHICH SUCH VEHICLES ARE USED; (2) MACHINERY, EQUIPMENT, MATERIALS, AND SUPPLIES USED IN A MANNER THAT IS INCIDENTAL TO A FARM OPERATION; (3) MAINTENANCE AND JANITORIAL EQUIPMENT AND SUPPLIES; AND (4) TANGIBLE PERSONAL PROPERTY USED IN ANY ACTIVITY OTHER THAN FARMING, SUCH AS OFFICE EQUIPMENT AND SUPPLIES AND EQUIPMENT AND SUPPLIES USED IN THE SALE OR DISTRIBUTION OF FARM PRODUCTS, RESEARCH, OR TRANSPORTATION.

(26) **“FARM OPERATION”** MEANS THE PRODUCTION OF ANY OF THE FOLLOWING PRODUCTS FOR PROFIT, INCLUDING, BUT NOT LIMITED TO, A BUSINESS THAT HIRES OUT TO PRODUCE OR HARVEST SUCH PRODUCTS: (1) AGRICULTURAL, VITICULTURAL, FRUIT, AND VEGETABLE PRODUCTS; (2) LIVESTOCK; (3) MILK; (4) HONEY; AND (5) POULTRY AND EGGS.

~~(26)~~(27) **"Finance Director"** ~~or "Director"~~ means the Finance Director of the City of Northglenn or such other person designated by the municipality; "Finance Director" shall also include such person's designee.

~~(27) — "Food" means food for domestic home consumption as defined in 7 U.S.C. Section 2012(g) as amended, for purposes of the federal food stamp program as defined~~

~~in 7 U.S.C. Section 2012(h), as amended, except that "food" does not include carbonated water marketed in containers; chewing gum; seeds and plants to grow food; prepared salads and salad bars; cold sandwiches; deli trays; and food or drink vended by or through machines or non-coin operated coin-collecting food and snack devices on behalf of a vendor.~~

(28) **"FOOD FOR HOME CONSUMPTION"** MEANS FOOD FOR DOMESTIC HOME CONSUMPTION AS DEFINED IN 7 U.S.C. SEC. 2012 (K) (2014), AS AMENDED, FOR PURPOSES OF THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM, OR ANY SUCCESSOR PROGRAM, AS DEFINED IN 7 U.S.C. SEC. 2012 (T), AS AMENDED; EXCEPT THAT "FOOD" DOES NOT INCLUDE CARBONATED WATER MARKETED IN CONTAINERS; CHEWING GUM; SEEDS AND PLANTS TO GROW FOODS; PREPARED SALADS AND SALAD BARS; PACKAGED AND UNPACKAGED COLD SANDWICHES; DELI TRAYS; AND HOT OR COLD BEVERAGES SERVED IN UNSEALED CONTAINERS OR CUPS THAT ARE VENDED BY OR THROUGH MACHINES OR NON-COIN-OPERATED COIN-COLLECTING FOOD AND SNACK DEVICES ON BEHALF OF A VENDOR.

~~(28)~~(29) **"Fuel"** means gas, electricity, nuclear, steam, coal, wood, fuel oil or coke.

(30) **"GARAGE SALES"** MEANS SALES OF TANGIBLE PERSONAL PROPERTY, EXCEPT AUTOMOTIVE VEHICLES, OCCURRING AT THE RESIDENCE OF THE SELLER, WHERE THE PROPERTY TO BE SOLD WAS ORIGINALLY PURCHASED FOR USE BY MEMBERS OF THE HOUSEHOLD WHERE SUCH SALE IS BEING CONDUCTED. THE TERM INCLUDES, BUT IS NOT LIMITED TO, YARD SALES, ESTATE SALES, AND BLOCK SALES.

(31) **"GROSS SALES"** MEANS THE TOTAL AMOUNT RECEIVED IN MONEY, CREDIT, PROPERTY OR OTHER CONSIDERATION VALUED IN MONEY FOR ALL SALES, LEASES, OR RENTALS OF TANGIBLE PERSONAL PROPERTY OR SERVICES.

~~(29) — "Gross Sales and Service" or "Gross Taxable Sales" means the total amount received in money, credit, property or other consideration valued in money for all sales, leases, or rentals of tangible personal property or services.~~

(32) **"INTERNET ACCESS SERVICES"** MEANS SERVICES THAT PROVIDE OR ENABLE COMPUTER ACCESS BY MULTIPLE USERS TO THE INTERNET, BUT SHALL NOT INCLUDE THAT PORTION OF PACKAGED OR BUNDLED SERVICES PROVIDING PHONE OR TELEVISION CABLE SERVICES WHEN THE PACKAGE OR BUNDLE INCLUDES THE SALE OF INTERNET ACCESS SERVICES.

(33) **"INTERNET SUBSCRIPTION SERVICE"** MEANS SOFTWARE PROGRAMS, SYSTEMS, DATA AND APPLICATIONS AVAILABLE ONLINE THROUGH

RENTAL, LEASE OR SUBSCRIPTION, THAT PROVIDE INFORMATION AND SERVICES INCLUDING, BUT NOT LIMITED TO, DATA LINKING, DATA RESEARCH, DATA ANALYSIS, DATA FILTERING OR RECORD COMPILING.

~~(30)~~(34) "**License**" means a City of Northglenn Sales and/OR Use Tax License.

~~(31)~~(35) "**Linen Services**" means services involving THE provision and cleaning of linens, including but not limited to rags, uniforms, coveralls and diapers.

(36) "**MACHINERY**" MEANS ANY APPARATUS CONSISTING OF INTERRELATED PARTS USED TO PRODUCE AN ARTICLE OF TANGIBLE PERSONAL PROPERTY. THE TERM INCLUDES BOTH THE BASIC UNIT AND ANY ADJUNCT OR ATTACHMENT NECESSARY FOR THE BASIC UNIT TO ACCOMPLISH ITS INTENDED FUNCTION.

(37) "**MANUFACTURED HOME**" MEANS ANY PRECONSTRUCTED BUILDING UNIT OR COMBINATION OF PRECONSTRUCTED BUILDING UNITS, WITHOUT MOTIVE POWER, WHERE SUCH UNIT OR UNITS ARE MANUFACTURED IN A FACTORY OR AT A LOCATION OTHER THAN THE RESIDENTIAL SITE OF THE COMPLETED HOME, WHICH IS DESIGNED AND COMMONLY USED FOR OCCUPANCY BY PERSONS FOR RESIDENTIAL PURPOSES, IN EITHER TEMPORARY OR PERMANENT LOCATIONS, AND WHICH UNIT OR UNITS ARE NOT LICENSED AS A VEHICLE.

(38) "**MANUFACTURING**" MEANS THE OPERATION OR PERFORMANCE OF AN INTEGRATED SERIES OF OPERATIONS WHICH PLACES A PRODUCT, ARTICLE, SUBSTANCE, COMMODITY, OR OTHER TANGIBLE PERSONAL PROPERTY IN A FORM, COMPOSITION OR CHARACTER DIFFERENT FROM THAT IN WHICH IT WAS ACQUIRED WHETHER FOR SALE OR FOR USE BY A MANUFACTURER. THE CHANGE IN FORM, COMPOSITION OR CHARACTER MUST RESULT IN A DIFFERENT PRODUCT HAVING A DISTINCTIVE NAME, CHARACTER OR USE FROM THE RAW OR PREPARED MATERIALS.

(39) "**MEDICAL MARIJUANA**" MEANS MARIJUANA ACQUIRED, POSSESSED, CULTIVATED, MANUFACTURED, DELIVERED, TRANSPORTED, SUPPLIED, SOLD, OR DISPENSED TO A PERSON WHO QUALIFIES AS A PATIENT WITH A DEBILITATING MEDICAL CONDITION(S) UNDER ARTICLE XVIII, SECTION 14, OF THE COLORADO CONSTITUTION, AND WHICH PERSON HOLDS A VALID "REGISTRY IDENTIFICATION CARD" ISSUED BY THE STATE OF COLORADO PURSUANT TO COLORADO CONSTITUTION, ARTICLE XVIII, SECTION 14.

~~(32)~~(40) "**Medical Supplies**" means drugs, prosthetic medical and dental appliances, and special beds for patients with neuromuscular or similar debilitating ailments, when sold for the direct, personal use of a specific individual in accordance with a prescription or other written directive issued by a licensed practitioner of medicine, dentistry, or podiatry;

corrective eyeglass lenses (including eyeglass frames), and corrective contact lenses, when sold for the direct, personal use of a specific individual in accordance with a prescription or other written directive issued by a licensed practitioner of medicine or optometry; wheelchairs, and crutches, when sold for the direct, personal use of a specific individual; oxygen and hemodialysis products for use by a medical patient, hearing aids, hearing aid batteries, insulin measuring and injecting devices, glucose to be used for treatment of insulin reactions, and human whole blood, plasma, blood products and derivatives. This exemption excludes items purchased for use by medical and dental practitioners or medical facilities in providing their services, even though certain of those items may be packaged for single use by individual patients after which the item would be discarded.

(41) **"MINI-STORAGE" OR "MINI-WAREHOUSE"** MEANS A BUILDING OR GROUP OF BUILDINGS CONTAINING INDIVIDUAL STORAGE UNITS RENTED OR LEASED TO INDIVIDUALS FOR THE STORAGE OF MERCHANDISE, COMMODITIES OR PRIVATE PROPERTY.

~~(33)~~(42) **"Mobile Machinery and Self-Propelled Construction Equipment"** means those vehicles, self-propelled or otherwise, which are not designed primarily for the transportation of persons or cargo over the public highways, and those motor vehicles which may have originally been designed for the transportation of persons or cargo over the public highways, and those motor vehicles which may have originally been designed for the transportation of persons or cargo but which have been redesigned or modified by the mounting thereon of special equipment or machinery, and which may be only incidentally operated or moved over the public highways. This definition includes but is not limited to wheeled vehicles commonly used in the construction, maintenance, and repair of roadways, the drilling of wells and the digging of ditches.

(43) **"MODULAR HOME"** MEANS ANY STRUCTURE THAT CONSISTS OF MULTIPLE SECTIONS FABRICATED, FORMED OR ASSEMBLED IN MANUFACTURING FACILITIES FOR INSTALLATION AND ASSEMBLY AT THE BUILDING SITE, AND IS CONSTRUCTED TO THE BUILDING CODES ADOPTED BY THE STATE DIVISION OF HOUSING, CREATED IN SECTION 24-32-706, C.R.S., AND IS DESIGNED TO BE INSTALLED ON A PERMANENT FOUNDATION.

(44) **"MOTOR FUEL"** MEANS GASOLINE, CASING HEAD OR NATURAL GASOLINE, BENZOL, BENZENE AND NAPHTHA, GASOHOL AND ANY OTHER LIQUID PREPARED, ADVERTISED, OFFERED FOR SALE, SOLD FOR USE OR USED OR COMMERCIALY USABLE IN INTERNAL COMBUSTION ENGINES FOR THE GENERATION OF POWER FOR THE PROPULSION OF MOTOR VEHICLES UPON THE PUBLIC HIGHWAYS. THE TERM DOES NOT INCLUDE FUEL USED FOR THE PROPULSION OR DRAWING OF AIRCRAFT OR RAILROAD CARS OR RAILROAD LOCOMOTIVES.

~~(34)~~(45) **"Newspaper"** means a publication, printed on newsprint, intended for

general circulation, and published regularly at short intervals, containing information and editorials on current events and news of general interest. The term newspaper does not include magazines, trade publications or journals, credit bulletins, advertising inserts, circulars, directories, maps, racing programs, reprints, newspaper clipping and mailing services or listings, publications that include an updating or revision service, or books or pocket editions of books.

~~(35) "Net Taxable Sales and Services" means adjusted gross sales and services less authorized "exemptions" therefrom.~~

~~(36) "Notice" all notices required to be given under the provisions of this Code shall be in writing and given personally or by mail in which event notice shall be sufficient for the purpose of this Code unless context indicates otherwise, if mailed postpaid by certified or registered mail to the addressee's last known address as shown on the City's tax records or the property tax records of any county wherein the taxpayer owns property taxable under the general property tax laws of the State of Colorado.~~

(46) **"ONLINE GARAGE SALES"** MEANS SALES OF TANGIBLE PERSONAL PROPERTY, EXCEPT AUTOMOTIVE VEHICLES, OCCURRING ONLINE, WHERE THE PROPERTY TO BE SOLD WAS ORIGINALLY PURCHASED FOR USE BY THE SELLER OR MEMBERS OF THE SELLER'S HOUSEHOLD.

~~(37)~~(47) **"Pay Television"** shall include, but not be limited to cable, microwave or other television service for which a charge is imposed.

~~(38)~~(48) **"Person"** means any individual, firm, partnership, joint venture, corporation, LIMITED LIABILITY COMPANY, estate or trust, receiver, trustee, assignee, lessee or any person acting in ~~the~~ A fiduciary or representative capacity, whether appointed by court or otherwise, or any group or combination acting as a unit.

(49) **"PHOTOVOLTAIC SYSTEM"** MEANS A POWER SYSTEM DESIGNED TO SUPPLY USABLE SOLAR POWER BY MEANS OF PHOTOVOLTAICS, A METHOD OF CONVERTING SOLAR ENERGY INTO DIRECT CURRENT ELECTRICITY USING SEMICONDUCTING MATERIALS THAT CREATE VOLTAGE OR ELECTRIC CURRENT IN A MATERIAL UPON EXPOSURE TO LIGHT. IT CONSISTS OF AN ARRANGEMENT OF SEVERAL COMPONENTS, INCLUDING SOLAR PANELS TO ABSORB AND CONVERT SUNLIGHT INTO ELECTRICITY, A SOLAR INVERTER TO CHANGE THE ELECTRIC CURRENT FROM DC TO AC, AS WELL AS MOUNTING, CABLING, METERING SYSTEMS AND OTHER ELECTRICAL ACCESSORIES TO SET UP A WORKING SYSTEM.

(50) **"PRECIOUS METAL BULLION"** MEANS ANY PRECIOUS METAL, INCLUDING BUT NOT LIMITED TO, GOLD, SILVER, PLATINUM, PALLADIUM, THAT HAS BEEN PUT THROUGH A PROCESS OF REFINING AND IS IN SUCH A STATE OR CONDITION THAT ITS VALUE DEPENDS UPON ITS PRECIOUS

METAL CONTENT AND NOT ITS FORM.

~~(39)~~(51) "**Prepared Food or Food for Immediate Consumption**" means food or drink served or furnished in or by restaurants, cafes, lunch counters, cafeterias, hotels, drug stores, social clubs, nightclubs, cabarets, resorts, snack bars, caterers, carry out shops and other places of business at which prepared food or drink, prepared salads in salad bars, cold sandwiches, deli trays are regularly sold, including sales from grocery stores and delicatessens, from pushcarts, motor vehicles and other mobile facilities and ~~vending machines~~ COIN OPERATED DEVICES.

~~(40)~~(52) "**Preprinted Newspaper Supplements**" shall mean inserts, attachments or supplements circulated in newspapers that: (i) are primarily devoted to advertising; AND (ii) the distribution, insertion, or attachment of which is commonly paid for by the advertiser.

~~(41)~~(53) "**Prescription Drugs for Animals**" ~~means drugs dispensed in accordance with any order in writing, dated and signed by a practitioner, or given orally by a practitioner, specifying the animal for which the medicine or drug is offered and directions, if any, to be placed on the label~~ MEANS A DRUG WHICH, PRIOR TO BEING DISPENSED OR DELIVERED, IS REQUIRED BY THE FEDERAL FOOD, DRUG, AND COSMETIC ACT, 21 U.S.C. SECT. 301, ET. SEQ., AS AMENDED, TO STATE AT A MINIMUM THE SYMBOL "RX ONLY", AND IS DISPENSED IN ACCORDANCE WITH ANY ORDER IN WRITING, DATED AND SIGNED BY A LICENSED VETERINARIAN SPECIFYING THE ANIMAL FOR WHICH THE MEDICINE OR DRUG IS OFFERED AND DIRECTIONS, IF ANY, TO BE PLACED ON THE LABEL.

(54) "**PRESCRIPTION DRUGS FOR HUMANS**" MEANS A DRUG WHICH, PRIOR TO BEING DISPENSED OR DELIVERED, IS REQUIRED BY THE FEDERAL FOOD, DRUG, AND COSMETIC ACT, 21 U.S.C. SECT. 301, ET. SEQ., AS AMENDED, TO STATE AT A MINIMUM THE SYMBOL "RX ONLY", AND IS DISPENSED IN ACCORDANCE WITH ANY WRITTEN OR ELECTRONIC ORDER DATED AND SIGNED BY A LICENSED PRACTITIONER OF THE HEALING ARTS, OR GIVEN ORALLY BY A PRACTITIONER AND IMMEDIATELY REDUCED TO WRITING BY THE PHARMACIST, ASSISTANT PHARMACIST, OR PHARMACY INTERN, SPECIFYING THE NAME AND ANY REQUIRED INFORMATION OF THE PATIENT FOR WHOM THE MEDICINE, DRUG OR POISON IS OFFERED AND DIRECTIONS, IF ANY, TO BE PLACED ON THE LABEL.

~~(42)~~(55) "**Price**" or "**Purchase Price**" means the AGGREGATE VALUE MEASURED IN CURRENCY PAID OR DELIVERED OR PROMISED TO BE PAID OR DELIVERED IN CONSUMMATION OF A SALE, WITHOUT ANY DISCOUNT FROM THE price ~~to the consumer~~, ON ACCOUNT OF THE COST OF MATERIALS USED, LABOR OR SERVICE COST, AND exclusive of any direct tax imposed by the federal government or by this article, and in the case of all retail sales involving the exchange of property, also exclusive of the fair market value of the property exchanged at the same time and place of the exchange, if:

~~(i)~~(1) Such exchanged property is to be sold thereafter in the usual course of the retailer's business; or

~~(ii)~~(2) Such exchanged property is a vehicle and is exchanged for another vehicle and both vehicles are subject to licensing, registration or certification under the laws of this state, including, but not limited to, vehicles operating upon public highways, off-highway recreation vehicles, watercraft and aircraft. Any money or other consideration paid over and above the value of the exchanged property is subject to tax.

"Price" or "Purchase Price" includes:

~~(i)~~(1) The amount of money received or due in cash and credits.

~~(ii)~~(2) Property at fair market value taken in exchange but not for resale in the usual course of the retailer's business.

~~(iii)~~(3) Any consideration valued in money, ~~such as trading stamps or coupons~~ whereby the manufacturer or someone else reimburses the retailer for part of the purchase price and other media of exchange.

~~(iv)~~(4) The total price charged on credit sales including finance charges which are not separately stated AT THE TIME OF SALE. An amount charged as interest on the unpaid balance of the purchase price is not part of the purchase price unless the amount added to the purchase price is included in the principal amount of a promissory note; except the interest or carrying charge set out separately from the unpaid balance of the purchase price on the face of the note is not part of the purchase price. An amount charged for insurance on the property sold and separately stated AT THE TIME OF SALE is not part of the purchase price.

~~(v)~~(5) Installation, APPLYING, REMODELING OR REPAIRING THE PROPERTY, delivery and wheeling-in charges included in the purchase price and not separately stated.

~~(vi)~~(6) Transportation and other charges to effect delivery of tangible personal property to the purchaser.

~~(vii)~~(7) Indirect federal manufacturers' excise taxes, such as taxes on automobiles, tires and floor stock.

~~(viii)~~(8) The gross purchase price of articles sold after manufacturing or after having been made to order, including the gross value of all THE materials used, labor and service performed and the profit thereon.

"Price" or "Purchase Price" shall not include:

~~(i)~~(1) Any sales or use tax imposed by the State of Colorado or by any political subdivision thereof.

~~(ii)~~(2) The fair market value of property exchanged if such property is to be sold thereafter in the retailers' usual course of business. This is not limited to exchanges in Colorado. Out-of-state trade-ins are an allowable adjustment to the purchase price.

~~(iii)~~(3) Discounts from the original price if such discount and the corresponding decrease in sales tax due is actually passed on to the purchaser, AND THE SELLER IS NOT REIMBURSED FOR THE DISCOUNT BY THE MANUFACTURER OR SOMEONE ELSE. An anticipated discount to be allowed for payment on or before a given date is not an allowable adjustment to the price in reporting gross sales.

~~(43)~~(56) "**Private Communications Service**" means telecommunication services furnished to a subscriber which entitles the subscriber to exclusive or priority use of any communication channel or group of channels, or to the exclusive or priority use of any interstate intercommunication system for the subscriber's stations.

(57) "**PROSTHETIC DEVICES FOR ANIMALS**" MEANS ANY ARTIFICIAL LIMB, PART, DEVICE OR APPLIANCE FOR ANIMAL USE WHICH REPLACES A BODY PART OR AIDS OR REPLACES A BODILY FUNCTION; IS DESIGNED, MANUFACTURED, ALTERED OR ADJUSTED TO FIT A PARTICULAR PATIENT; AND IS PRESCRIBED BY A LICENSED VETERINARIAN. PROSTHETIC DEVICES INCLUDE, BUT ARE NOT LIMITED TO, PRESCRIBED AUDITORY, OPHTHALMIC OR OCULAR, CARDIAC, DENTAL, OR ORTHOPEDIC DEVICES OR APPLIANCES, AND OXYGEN CONCENTRATORS WITH RELATED ACCESSORIES.

~~(44)~~(58) "**Prosthetic Devices FOR HUMANS**" means any artificial limb, part, device or appliance for human use which ~~aids or~~ replaces a BODY PART OR AIDS OR REPLACES A bodily function; is designed, manufactured, altered or adjusted to fit a particular ~~individual~~ PATIENT, and is prescribed by a licensed practitioner of the healing arts. Prosthetic devices include, but are not limited to, prescribed auditory, ophthalmic or ocular, cardiac, dental, OR orthopedic devices or appliances, AND oxygen concentrators ~~and oxygen~~ with related accessories.

~~(45)~~(59) "**Purchase**" or "**Sale**" ~~or "Sale and Purchase"~~ shall mean ~~and transaction whereby a person, in exchange for a valuable consideration such as money or its equivalent, property, or the rendering of a service, effects any of these things:~~

~~(i) — Transfers, or agrees to transfer, either conditionally or absolutely, or title or possession or both title and possession, all or part of his/her interest, or the interest of any other for whom he/she is acting as agent, any tangible personal property, as defined, to any~~

other person; or,

~~(ii) — Leases, rents, or grants a license to use (including royalty agreements), or agrees to lease, rent, or grant a license to use (including royalty agreements), tangible personal property, as defined, for use, storage, distribution, or consumption to any person for any length of time; or~~

~~(iii) — Performs or furnishes, or agrees to perform or furnish, or contracts to have another perform or furnish any service taxable under this act for any other person.~~

~~Regardless of whether the transaction is absolute or conditional, it shall be considered a "sale" if it results in title or possession, or both, being transferred by the seller to a buyer, for any length of time whatsoever or for any "use" as defined, whatsoever, and shall additionally be considered a "sale" regardless that title or actual possession remains at all times with the owner of the property as set forth in Section 5-3-5 (c)(7) and elsewhere herein.~~

~~Hourly, daily, weekly, monthly, or any term rentals or leases are considered sales under the Northglenn Sales and Use Tax Code.~~

~~(iv) — Barter or exchange for other property or services including coupons.~~

The terms "**Purchase**" and "**Sale**" do not include:

~~(i) — A division of partnership assets among the partners according to their interests in the partnership.~~

~~(ii) — The formation of a corporation by the owners of a business and the transfer of their business assets to the corporation in exchange for all the corporation's outstanding stock, except qualifying shares, in proportion to the assets contributed.~~

~~(iii) — The transfer of assets of shareholders in the formation or dissolution of professional corporations.~~

~~(iv) — The dissolution and the pro rata distribution of the corporation's assets to its stockholders.~~

~~(v) — A transfer of a partnership interest.~~

~~(vi) — The transfer in a reorganization qualifying under section 368(a)(1) of the Internal Revenue Code of 1954, as amended.~~

~~(vii) — The formation of a partnership by the transfer of assets to~~

~~the partnership or transfers to a partnership in exchange for proportionate interests in the partnership.~~

~~(viii) The repossession of personal property by a chattel mortgage holder or foreclosure by a lienholder.~~

~~(ix) The transfer of assets from a parent corporation to a subsidiary corporation or corporations which are owned at least eighty percent by the parent corporation, which transfer is solely in exchange for stock or securities of the subsidiary corporation.~~

~~(x) The transfer of assets from a subsidiary corporation or corporations which are owned at least eighty percent by the parent corporation to a parent corporation or to another subsidiary which is owned at least eighty percent by the parent corporation, which transfer is solely in exchange for stock or securities of the parent corporation or the subsidiary which received the assets.~~

~~(xi) The transfer of assets between parent and closely held subsidiary corporations, or between subsidiary corporations closely held by the same parent corporation, or between corporations which are owned by the same shareholders in identical percentage of stock ownership amounts, computed on a share by share basis, when a tax imposed by this article was paid by the transfer or corporation at the time it acquired such assets, except to the extent that there is an increase in the fair market value of such assets resulting from the manufacturing, fabricating or physical changing of the assets by the transferor corporation. To such an extent any transfer referred to in this paragraph (xi) shall constitute a sale. For the purposes of this paragraph (xi), a closely held subsidiary corporation is one in which the parent corporation owns stock possessing at least eighty percent of the total combined voting power of all classes of stock entitled to vote and owns at least eighty percent of the total number of shares of all other classes of stock. MEANS THE ACQUISITION FOR ANY CONSIDERATION BY ANY PERSON OF TANGIBLE PERSONAL PROPERTY, OTHER TAXABLE PRODUCTS OR TAXABLE SERVICES THAT ARE PURCHASED, LEASED, RENTED, SOLD, USED, STORED, DISTRIBUTED, OR CONSUMED. THESE TERMS INCLUDE CAPITAL LEASES, INSTALLMENT AND CREDIT SALES, AND PROPERTY AND SERVICES ACQUIRED BY:~~

~~(1) TRANSFER, EITHER CONDITIONALLY OR ABSOLUTELY, OF TITLE OR POSSESSION OR BOTH TO TANGIBLE PERSONAL PROPERTY, OTHER TAXABLE PRODUCTS, OR TAXABLE SERVICES;~~

~~(2) A LEASE, LEASE-PURCHASE AGREEMENT, RENTAL OR GRANT OF A LICENSE, INCLUDING ROYALTY AGREEMENTS, TO USE TANGIBLE PERSONAL PROPERTY, OTHER TAXABLE PRODUCTS, OR TAXABLE SERVICES. THE UTILIZATION OF COIN OPERATED DEVICES, EXCEPT COIN-OPERATED TELEPHONES, WHICH DO NOT VEND ARTICLES OF TANGIBLE PERSONAL PROPERTY SHALL BE CONSIDERED SHORT TERM RENTALS OF TANGIBLE~~

PERSONAL PROPERTY;

(3) PERFORMANCE OF TAXABLE SERVICES; OR

(4) BARTER OR EXCHANGE FOR OTHER TANGIBLE PERSONAL PROPERTY, OTHER TAXABLE PRODUCTS, OR SERVICES.

THE TERMS "**PURCHASE**" OR "**SALE**" DO NOT INCLUDE:

(1) A DIVISION OF PARTNERSHIP ASSETS AMONG THE PARTNERS ACCORDING TO THEIR INTERESTS IN THE PARTNERSHIP;

(2) THE TRANSFER OF ASSETS OF SHAREHOLDERS IN THE FORMATION OR DISSOLUTION OF PROFESSIONAL CORPORATIONS, IF NO CONSIDERATION INCLUDING, BUT NOT LIMITED TO, THE ASSUMPTION OF A LIABILITY IS PAID FOR THE TRANSFER OF ASSETS;

(3) THE DISSOLUTION AND THE PRO RATA DISTRIBUTION OF THE CORPORATION'S ASSETS TO ITS STOCKHOLDERS, IF NO CONSIDERATION INCLUDING, BUT NOT LIMITED TO, THE ASSUMPTION OF A LIABILITY IS PAID FOR THE TRANSFER OF ASSETS;

(4) A TRANSFER OF A PARTNERSHIP OR LIMITED LIABILITY COMPANY INTEREST;

(5) THE TRANSFER OF ASSETS TO A COMMENCING OR EXISTING PARTNERSHIP OR LIMITED LIABILITY COMPANY, IF NO CONSIDERATION INCLUDING, BUT NOT LIMITED TO, THE ASSUMPTION OF A LIABILITY IS PAID FOR THE TRANSFER OF ASSETS;

(6) THE REPOSSESSION OF PERSONAL PROPERTY BY A CHATTEL MORTGAGE HOLDER OR FORECLOSURE BY A LIENHOLDER;

(7) THE TRANSFER OF ASSETS FROM A PARENT COMPANY TO A SUBSIDIARY COMPANY OR COMPANIES WHICH ARE OWNED AT LEAST EIGHTY PERCENT BY THE PARENT COMPANY, WHICH TRANSFER IS SOLELY IN EXCHANGE FOR STOCK OR SECURITIES OF THE SUBSIDIARY COMPANY;

(8) THE TRANSFER OF ASSETS FROM A SUBSIDIARY COMPANY OR COMPANIES WHICH ARE OWNED AT LEAST EIGHTY PERCENT BY THE PARENT COMPANY TO A PARENT COMPANY OR TO ANOTHER SUBSIDIARY WHICH IS OWNED AT LEAST EIGHTY PERCENT BY THE PARENT COMPANY, WHICH TRANSFER IS SOLELY IN EXCHANGE FOR STOCK OR SECURITIES OF THE PARENT CORPORATION OR THE SUBSIDIARY WHICH RECEIVED THE ASSETS;

(9) THE TRANSFER OF ASSETS BETWEEN PARENT AND CLOSELY

HELD SUBSIDIARY COMPANIES, OR BETWEEN SUBSIDIARY COMPANIES CLOSELY HELD BY THE SAME PARENT COMPANY, OR BETWEEN COMPANIES WHICH ARE OWNED BY THE SAME SHAREHOLDERS IN IDENTICAL PERCENTAGE OF STOCK OWNERSHIP AMOUNTS, COMPUTED ON A SHARE-BY-SHARE BASIS, WHEN A TAX IMPOSED BY THIS ARTICLE WAS PAID BY THE TRANSFEROR COMPANY AT THE TIME IT ACQUIRED SUCH ASSETS, EXCEPT TO THE EXTENT THAT THERE IS AN INCREASE IN THE FAIR MARKET VALUE OF SUCH ASSETS RESULTING FROM THE MANUFACTURING, FABRICATING, OR PHYSICAL CHANGING OF THE ASSETS BY THE TRANSFEROR COMPANY. TO SUCH AN EXTENT ANY TRANSFER REFERRED TO IN THIS PARAGRAPH (9) SHALL CONSTITUTE A SALE. FOR THE PURPOSES OF THIS PARAGRAPH (9), A CLOSELY HELD SUBSIDIARY CORPORATION IS ONE IN WHICH THE PARENT COMPANY OWNS STOCK POSSESSING OR MEMBERSHIP INTEREST AT LEAST EIGHTY PERCENT OF THE TOTAL COMBINED VOTING POWER OF ALL CLASSES OF STOCK ENTITLED TO VOTE AND OWNS AT LEAST EIGHTY PERCENT OF THE TOTAL NUMBER OF SHARES OF ALL OTHER CLASSES OF STOCK.

~~(46) "Purchaser" or "Consumer" means any person to whom taxable service has been rendered or who shall have leased, rented or purchased at retail, taxable services or tangible personal property which is purchased, delivered, used, stored, distributed or consumed in the City upon which a tax is imposed hereby.~~

~~(47)~~(60) **"Recreation Services"** means all services relating to athletic or entertainment participation events AND/OR ACTIVITIES including but not limited to pool, golf, billiards, skating, tennis, bowling, health/athletic club memberships, coin operated amusement devices, video games and video club memberships.

(61) **"RENEWABLE ENERGY"** MEANS ANY ENERGY RESOURCE THAT IS NATURALLY REGENERATED OVER A SHORT TIME SCALE AND DERIVED DIRECTLY FROM THE SUN (SUCH AS THERMAL, PHOTOCHEMICAL, AND PHOTOELECTRIC), INDIRECTLY FROM THE SUN (SUCH AS WIND, HYDROPOWER, AND PHOTOSYNTHETIC ENERGY STORED IN BIOMASS), OR FROM OTHER NATURAL MOVEMENTS AND MECHANISMS OF THE ENVIRONMENT (SUCH AS GEOTHERMAL AND TIDAL ENERGY). RENEWABLE ENERGY DOES NOT INCLUDE ENERGY RESOURCES DERIVED FROM FOSSIL FUELS, WASTE PRODUCTS FROM FOSSIL SOURCES, OR WASTE PRODUCTS FROM INORGANIC SOURCES.

~~(48)~~(62) **"Resident"** means, ~~for the purposes of the taxation provisions herein,~~ a person who resides or maintains his domicile within the City of Northglenn or who maintains one or more places of business within the City REGARDLESS OF WHETHER THAT PERSON ALSO RESIDES OR MAINTAINS A PLACE OF BUSINESS OUTSIDE OF THE CITY ~~at the time of a taxable transaction as defined herein.~~

~~A person may have dual residency, or other places of residence or domicile, or place of business outside the City prior to, during or after the occurrence of the~~

taxable transaction and be a "**resident**" according to the terms of this definition.

(49)(63) "**Retail Sale**" means all sales except wholesale sales.

(50)(64) "**Retailer**" or "**Vendor**" means any person selling, leasing, or renting OR GRANTING A LICENSE TO USE tangible personal property or services at retail. Retailer shall include, BUT IS NOT LIMITED TO, any: (i)(1) Auctioneer; (ii)(2) Salesperson, representative, peddler or canvasser, who makes sales as a direct or indirect agent of or obtains such property or services sold from a dealer, distributor, supervisor or employer.; (iii)(3) Charitable organization or governmental entity which makes sales of tangible personal property to the public, notwithstanding the fact that the merchandise sold may have been acquired by gift donation or that the proceeds are to be used for charitable or governmental purposes; (4) RETAILER-CONTRACTOR, WHEN ACTING IN THE CAPACITY OF A SELLER OF BUILDING SUPPLIES, CONSTRUCTION MATERIALS, AND OTHER TANGIBLE PERSONAL PROPERTY.

(65) "**RETAILER-CONTRACTOR**" MEANS A CONTRACTOR WHO IS ALSO A RETAILER OF BUILDING SUPPLIES, CONSTRUCTION MATERIALS, OR OTHER TANGIBLE PERSONAL PROPERTY, AND PURCHASES, MANUFACTURES, OR FABRICATES SUCH PROPERTY FOR SALE (WHICH MAY INCLUDE INSTALLATION), REPAIR WORK, TIME AND MATERIALS JOBS, AND/OR LUMP SUM CONTRACTS.

(51)(66) "**Return**" means ~~the sales and use tax reporting~~ ANY form PRESCRIBED BY THE CITY FOR COMPUTING AND REPORTING A TOTAL ~~used to report sales and use tax~~ LIABILITY.

(52)(67) "**Room**" means a regular sleeping room or unit which is a part of a hotel, apartment hotel, inn, lodging house, guest house, motor hotel, mobile home, dude ranch or guest ranch for which a charge is made for its use. A regular "**meeting room**" shall be exempt from taxation under this section of the ordinance.

(53)(68) "**Sales Tax**" means the tax ~~to be~~ THAT IS collected OR REQUIRED TO COLLECTED and remitted by a retailer on sales taxed under this Code.

(54)(69) "**Security System Services**" means electronic ALARM AND/OR MONITORING ~~security system~~ services. Such term does not include non-electronic security services such as consulting or human or guard dog patrol services.

(70) "**SOFTWARE PROGRAM**" MEANS A SEQUENCE OF INSTRUCTIONS THAT CAN BE MEASURED, INTERPRETED AND EXECUTED BY AN ELECTRONIC DEVICE (E.G. A COMPUTER, TABLETS, SMART PHONES) REGARDLESS OF THE MEANS BY WHICH IT IS ACCESSED OR THE MEDIUM OF CONVEYANCE. SOFTWARE PROGRAM INCLUDES: (1) CUSTOM SOFTWARE

PROGRAM, WHICH IS A SOFTWARE PROGRAM PREPARED TO THE SPECIAL ORDER OR SPECIFICATIONS OF A SINGLE CUSTOMER; (2) PRE-WRITTEN SOFTWARE PROGRAM, WHICH IS A SOFTWARE PROGRAM PREPARED FOR SALE OR LICENSE TO MULTIPLE USERS, AND NOT TO THE SPECIAL ORDER OR SPECIFICATIONS OF A SINGLE CUSTOMER. PRE-WRITTEN SOFTWARE IS COMMONLY REFERRED TO AS "CANNED," "OFF-THE-SHELF ("COTS")," "MASS PRODUCED" OR "STANDARDIZED;" (3) MODIFIED SOFTWARE, WHICH MEANS PRE-WRITTEN SOFTWARE THAT IS ALTERED OR ENHANCED BY SOMEONE OTHER THAN THE PURCHASER TO CREATE A PROGRAM FOR A PARTICULAR USER; AND (4) THE GENERIC TERM "SOFTWARE," "SOFTWARE APPLICATION," AS WELL AS "UPDATES," "UPGRADES," "PATCHES," "USER EXITS," AND ANY ITEMS WHICH ADD OR EXTEND FUNCTIONALITY TO EXISTING SOFTWARE PROGRAMS.

(71) **"SOFTWARE AS A SERVICE"** MEANS SOFTWARE THAT IS RENTED, LEASED OR SUBSCRIBED TO FROM A PROVIDER AND USED AT THE CONSUMER'S LOCATION, INCLUDING BUT NOT LIMITED TO APPLICATIONS, SYSTEMS OR PROGRAMS.

(72) **"SOFTWARE LICENSE FEE"** MEANS A FEE CHARGED FOR THE RIGHT TO USE, ACCESS, OR MAINTAIN SOFTWARE PROGRAMS.

(73) **"SOFTWARE MAINTENANCE AGREEMENT"** MEANS AN AGREEMENT, TYPICALLY WITH A SOFTWARE PROVIDER, THAT MAY INCLUDE (1) PROVISIONS TO MAINTAIN THE RIGHT TO USE THE SOFTWARE; (2) PROVISIONS FOR SOFTWARE UPGRADES INCLUDING CODE UPDATES, VERSION UPDATES, CODE FIX MODIFICATIONS, ENHANCEMENTS, AND ADDED OR NEW FUNCTIONAL CAPABILITIES LOADED INTO EXISTING SOFTWARE, OR (3) TECHNICAL SUPPORT.

(74) **"SOLAR THERMAL SYSTEMS"** MEANS A SYSTEM WHOSE PRIMARY PURPOSE IS TO USE ENERGY FROM THE SUN TO PRODUCE HEAT OR COLD FOR: (1) HEATING OR COOLING A RESIDENTIAL OR COMMERCIAL BUILDING; (2) HEATING OR COOLING WATER; OR (3) ANY INDUSTRIAL, COMMERCIAL, OR MANUFACTURING PROCESS.

~~(55)~~(75) **"Sound System Services"** means ~~sound system services involving~~ THE provision of broadcast or pre-recorded audio programming to a building or portion thereof. Such term does not include installation of sound systems where the entire system becomes the property of the building owner or the sound system service is for presentation of live performances.

~~(56)~~—**"Special Accounting Basis"** or **"Estimated Percentage Basis"** means the ~~permission to pay or satisfy in full City sales or use tax liability on a percentage of gross sales or gross purchases, and which is granted to facilitate tax reporting to qualified consumers or vendors upon petition to the Director of Finance or his agent on basis prescribed in Section 5-3-17 and elsewhere herein.~~

~~(57)~~(76) "**Special SALES Event**" means any sales event WHICH INCLUDES MORE THAN THREE (3) VENDORS, taking place at a single location for a limited period of time not to exceed ~~three (3)~~ SEVEN (7) days, ~~which includes three (3) or more vendors.~~

~~(58)~~(77) "**Storage**" means any keeping or retention of, or exercise or dominion or control over, or possession OF, for any length of time, of tangible personal property NOT WHILE IN TRANSIT BUT ON A STAND STILL BASIS FOR FUTURE USE when leased, rented or purchased at retail from sources either within or without the City from any person or vendor.

(78) "**STORAGE FACILITY**" MEANS ANY INDOOR OR OUTDOOR AREA, STRUCTURE, OR WAREHOUSE THAT IS ORDINARILY USED TO STORE TANGIBLE PERSONAL PROPERTY, SUCH AS, WITHOUT LIMITATION, MINI-STORAGE OR MINI-WAREHOUSES. STORAGE FACILITY SHALL NOT INCLUDE KENNELS, LOCKERS, MOBILE HOME PADS, SAFE DEPOSIT BOXES, RESERVOIRS, OR LEASE OR RENTAL OF STORAGE SPACE IN CONJUNCTION WITH THE LEASE OF AN AREA AT WHICH A BUSINESS IS CONDUCTED.

~~(59)~~(79) "**Tangible Personal Property**" ~~or "Personal Property"~~ means ~~corporal~~ personal property THAT CAN BE ONE OR MORE OF THE FOLLOWING: SEEN, WEIGHED, MEASURED, FELT, TOUCHED, STORED, TRANSPORTED, EXCHANGED, OR THAT IS IN ANY OTHER MANNER PERCEPTIBLE TO THE SENSES.

~~(60)~~(80) "**Tax**" means the use tax due from a consumer or the sales tax due from a retailer or the sum of both due from a retailer who also consumes.

~~(61)~~(81) "**Tax Deficiency**" OR "**DEFICIENCY**" means any amount of tax, PENALTY, INTEREST, OR OTHER FEE that is not reported AND/or not paid on or before the ~~due~~ date THAT ANY RETURN OR PAYMENT OF THE TAX IS REQUIRED UNDER THE TERMS OF THIS CODE.

~~(62)~~(82) "**Taxable Sales**" means gross sales less any exemptions and deductions specified in this Code.

~~(63)~~(83) "**Taxable Services**" means services subject to tax pursuant to this Code.

~~(64)~~(84) "**Taxpayer**" means any person obligated to collect and/or pay tax under the terms of this Code.

~~(65)~~(85) "**Telecommunications Service**" means the transmission of any two-way interactive electromagnetic communications including but not limited to voice, image, data and any other information, by the use of any means but not limited to wire, cable, fiber optical cable,

microwave, radio wave or any combination of such media. "**Telecommunications service**" includes but is not limited to basic local exchange telephone service, toll telephone service and teletypewriter service, including but not limited to residential and business service, directory assistance, cellular mobile telephone or telecommunication service, specialized mobile radio and two-way pagers and paging service, including any form of mobile two-way communication. "**Telecommunication services**" does not include separately stated nontransmission services which constitute computer processing applications used to act on the information to be transmitted.

(86) "**TELEVISION AND ENTERTAINMENT SERVICES**" MEANS AUDIO OR VISUAL CONTENT THAT CAN BE TRANSMITTED ELECTRONICALLY BY ANY MEANS, FOR WHICH A CHARGE IS IMPOSED.

~~(66)~~(87) "**Therapeutic Device**" means devices, appliances or related accessories that ~~are sold to~~ correct or treat a human physical disability or surgically created abnormality; ~~if such device, appliance or related accessory has a retail value of more than one hundred dollars, it must be sold in accordance with a written recommendation from a licensed doctor to qualify as a~~ "**therapeutic device**" for purposes of this Code.

(88) "**TOLL FREE TELECOMMUNICATIONS SERVICE**" MEANS A TELECOMMUNICATIONS SERVICE THAT ALLOWS A CALLER TO DIAL A NUMBER WITHOUT INCURRING AN ADDITIONAL CHARGE FOR THE CALL.

~~(67)~~(89) "**Total Tax Liability**" means the total of all tax, penalties AND/or interest owed by a taxpayer and shall include sales tax collected in excess of such tax computed on total sales.

(90) "**TRANSIENT / TEMPORARY SALE**" MEANS A SALE BY ANY PERSON WHO ENGAGES IN A TEMPORARY BUSINESS OF SELLING AND DELIVERING GOODS WITHIN THE CITY FOR A PERIOD OF NO MORE THAN SEVEN CONSECUTIVE DAYS.

(91) "**TRANSIENT / TEMPORARY VENDOR**" MEANS ANY PERSON WHO ENGAGES IN THE BUSINESS OF TRANSIENT / TEMPORARY SALES.

~~(68)~~(92) "**Use**" means the exercise, for any length of time, by any person within the City of any right, power or dominion over tangible personal property OR SERVICES when rented, leased or purchased at retail from sources either within or without the City from any person or vendor OR USED IN THE PERFORMANCE OF A CONTRACT IN THE CITY WHETHER SUCH TANGIBLE PERSONAL PROPERTY IS OWNED OR NOT OWNED BY THE TAXPAYER. USE ALSO INCLUDES THE WITHDRAWAL OF ITEMS FROM INVENTORY FOR CONSUMPTION.

~~(69)~~(93) "Use Tax" means the tax paid or required to be paid by a consumer for using, storing, distributing or otherwise consuming tangible personal property or taxable services inside the City.

~~(70)~~ "Vendor's Fee" or "Retainage" means the percent of total City sales and use tax collected which is authorized to be retained by the licensed vendor to recompense him for his expenses of collecting and remitting the City sales and use tax on his sales to the various purchasers or consumers. Consumers filing a City use tax report are not entitled to the Vendor's fee.

~~(71)~~ "WATTS/800 Service" means any outbound or inbound interstate wide area telecommunications service or other similar service which entitles the subscriber, upon payment of a periodic charge, based upon a flat amount and/or usage, to make or receive a large volume of telephonic communications to or from persons having telephone or radio telephone stations in specified areas which are outside the telephone system area in which the subscriber's station is located.

~~(72)~~(94) "Wholesale Sale" means A sales BY WHOLESALERS to licensed retailers, jobbers, dealers, or wholesalers for resale AND DOES NOT INCLUDE A –sales by wholesalers to USERS OR consumers are not FOR RESALE; LATTER TYPES OF SALES SHALL BE DEEMED TO BE RETAIL SALES AND SHALL BE SUBJECT TO THE PROVISIONS OF THIS CHAPTER. ~~wholesale sales. Sales by wholesalers to non-licensed retailers are not wholesale sales.~~

~~(73)~~(95) "Wholesaler" means any person DOING AN ORGANIZED WHOLESALE OR JOBBING BUSINESS AND selling to retailers, jobbers, dealers or other wholesalers, for THE PURPOSE OF resale, and not for storage, use, consumption or distribution.

Section 3. Subsections (b) and (c) of Section 5-3-5 of the Northglenn Municipal Code are hereby amended as follows:

Section 5-3-5. Taxable Transactions, Commodities and Services.

(b) Should a dispute arise between the purchaser and seller as to whether or not any such sale is exempt from taxation hereunder, nevertheless, the seller shall collect and the purchaser shall pay such tax. The purchaser thereafter may apply to the FINANCE Director of Finance for a refund of such taxes paid as provided herein.

(c) The sales tax levied by Section 5-3-5 shall apply to the price of the following:

(1) Tangible Personal Property. Tangible personal property that is sold, leased or rented whether or not such property has been included in a previous taxable transaction AS AN AID IN INTERPRETATION, AND NOT BY WAY OF LIMITATION, TANGIBLE

PERSONAL PROPERTY INCLUDES THE FOLLOWING ITEMS AND MORE:

- (i) CONSTRUCTION EQUIPMENT, DATA PROCESSING EQUIPMENT, FARM EQUIPMENT, MOBILE MACHINERY AND SELF-PROPELLED CONSTRUCTION EQUIPMENT;
- (ii) FACTORY BUILT HOUSING;
- (iii) TANGIBLE PERSONAL PROPERTY SOLD AT GARAGE SALES OR ONLINE GARAGE SALES;
- (iv) PHOTOVOLTAIC SYSTEMS;
- (v) PRECIOUS METAL BULLION;
- (vi) DIGITAL PRODUCTS AND SOFTWARE PROGRAMS, INCLUDING THE COST OF SOFTWARE LICENSE FEES AND SOFTWARE MAINTENANCE AGREEMENTS, EXCEPT THAT CUSTOM SOFTWARE PROGRAMS ARE NOT CONSIDERED TANGIBLE PERSONAL PROPERTY.

(2) ~~Telecommunication Service AS DEFINED HEREIN. Telecommunication services except carrier access services and interstate or international private communications service, for all international, interstate and intrastate telecommunications service originating from or received on telecommunications equipment in the City if the charge for the service is billed to an apparatus, telephone or account in this City, without regard to where the bill for such services is actually received. If a taxpayer presents to the City written proof of double taxation of said telecommunication services, the City shall credit against the tax accruing under this article the amount of tax actually paid by the taxpayer to the other taxing entity. If the tax accruing under this article exceeds the amount of the tax actually paid by the taxpayer to the other taxing entity, the taxpayer shall pay the difference to the City. The credit provided for in this section shall not be allowed if the tax actually paid by the taxpayer to the other taxing entity was not by law required to be paid.~~

~~(i) Telecommunications services sold for resale to other persons for purposes of providing telecommunications services to the final end user will not be subject to the sales tax.~~

(3) Installation in the City of equipment required to receive or transmit telecommunications service.

(4) SOFTWARE AS A SERVICE; INTERNET ACCESS SERVICES AND INTERNET SUBSCRIPTION SERVICE.

(4.5) Employee Meals. Meals sold to employees, except that meals which are sold to employees at a reduced charge and which are considered part of the employee's salary,

wages or income shall be exempt from taxation under this section.

(5) Fuel. Fuel furnished for domestic, commercial or industrial consumption.

(6) Pay Television AND ENTERTAINMENT SERVICES.

(7) TANGIBLE Personal Property Rental, with Operator Thereof INCLUDING, WITHOUT LIMITATION, THE FOLLOWING:

(i) RENTAL OF STORAGE SPACE AND STORAGE FACILITIES WITHIN THE CITY.

(ii) The furnishing of tangible personal property, together with the services of an operator thereof, for any person, shall be taxable hereunder as rental of such TANGIBLE personal property, irrespective of the fact that during all times that the said property is so furnished, the control of the operation of the same remains in the person so providing the said property.

(iii) THE FULL AMOUNT CHARGED FOR THE UTILIZATION, LEASE OR RENTAL OF BOWLING ALLEYS AND PINSETTERS FOR BOWLING BALLS AND FOR SHOES RENTED OR SOLD.

(8) Security SYSTEM SERVICES and Sound Systems SERVICES. Security systems SERVICES and sound system services, including monitoring, whether purchased or leased.

(9) Linen Services.

(10) Accommodation Services. The furnishing of rooms or accommodations in any hotel, apartment hotel, guesthouse, guest ranch, mobile home, auto camp, trailer court, or park, or any other place furnishing rooms and accommodations is a taxable sale. The Northglenn Accommodations Tax is imposed upon the transaction of furnishing rooms or accommodations where the rental period is for a term less than thirty (30) consecutive days.

Pursuant to the exemption in Section 5-3-6(d)(8), the exempt institutions noted in Section 5-3-6(d)(7) are immune from the City Accommodation Tax.

(11) Vending Machines. SALES AT coin operated devices that dispense tangible personal property.

(12) Prepared food or food for immediate consumption, WHETHER SOLD IN RESTAURANTS OR ELSEWHERE.

(13) Food FOR HOME CONSUMPTION AND CANDY.

(14) Automotive Vehicles. Automotive vehicles sold or leased to a resident or business of this City, except any vehicle subjected to the use tax provided herein.

Automotive vehicle dealers who are licensed under the Code may deduct on the sales tax return the value of merchandise taken in trade when such merchandise is to be resold in the usual course of the dealer's business. This provision applies only to licensed dealers within the State of Colorado. If automobiles are exchanged or traded between individuals who are not licensed or engaged in the business of selling automobiles in the City and in the State of Colorado, then the retail value of each automobile is the purchase price on which sales and use tax shall be paid by each owner.

Any resident of Northglenn who purchases a motor vehicle, trailer, semi-trailer, etc., whether new or used, outside of the City for use within the City must pay the City use tax on the purchase price of any vehicle upon registration of the said vehicle in Adams County. Any resident who registers a vehicle at an address other than his/her principal residence or place of business within Northglenn for the purpose of evading the sales or use tax shall be considered in violation of the Code and subject to the penalties set forth herein.

The registration of an automotive vehicle by any resident of the City will be construed as prima facie evidence of use and will constitute a taxable transaction, even though there is no immediate use of that vehicle inside the City, or the claim is made that there will be no use inside the City of such vehicle. Initial registration of the motor vehicle inside of Northglenn will also constitute a taxable use and the tax will be due.

Any resident of Northglenn who registers any automotive vehicle in the City and intends to use that vehicle subsequently in interstate commerce shall be subject to tax to the same extent as any other resident.

Any resident of Northglenn who may not have dual residency both within and without the City who registers any automotive vehicle in the City must pay the tax on the full amount of its taxable purchase price. There will not be an allowance or pro-ration made for that vehicle's percentage use within and without the City.

Vehicles purchased by non-residents and legally registered outside of the City are exempt, except that vehicles registered outside of the City and owned by non-exempt persons are subject to the use tax when garaged or used for business in Northglenn.

The exchange of three or more vehicles of the same type by any person in any calendar year in transactions subject to the provisions of this Code shall be prima facie evidence that such person is engaged in the business of selling vehicles and is hereby required to license to engage in such activity.

(15) Goods Sold Through a ~~Vending Machine~~ COIN OPERATED DEVICE.

Articles of tangible personal property vended through A coin operated ~~vending machines~~ DEVICE are subject to the Northglenn sales tax. The owner, operator, or person selling tangible personal property through ~~vending machines~~ THE COIN OPERATED DEVICE may elect to pay the sales tax on gross receipts or the sales tax may be incorporated into the selling price. Regardless that a ~~vendor's~~ RETAILER'S total gross sales consist of a number of sale transactions, each of which has a retail price of less than the minimum taxable sale, the tax must be computed on the total sale or retail price of all such transactions.

(16) Bad Debts Collection. On the amount of collection, during the current taxable period, of bad debts that had, during a previous taxable period, been deducted from gross taxable sales.

~~(17) Bowling Alleys. On the full amount charged for the utilization, lease or rental of bowling alleys and pinsetters for bowling balls and for shoes rented or sold. Bowling by the "line" is taxable in full as a rental, as described above. The tax is to be charged to the customer on such "line" charges.~~

(17) Tax Must be Collected Notwithstanding Sale Made Outside City. Every ~~vendor~~ RETAILER required or permitted to collect the tax shall collect the tax imposed by the provisions of this Code notwithstanding the following, if the property purchased is intended to be brought into the City for use, storage, or consumption in the City;

(i) That the purchaser's order or the contract of sale is delivered, mailed, or otherwise transmitted by the purchaser to the ~~vendor~~ RETAILER at a point outside of the City as a result of solicitation by the ~~vendor~~ RETAILER through the medium of a catalogue or other written advertisement, or by any other means; or

(ii) That the purchaser's order or contract of sale was made or closed by acceptance or approval outside of the City or before said tangible personal property enters the City; or

(iii) That the purchaser's order or contract of sale provides that said property shall be, or it is in fact, procured or manufactured at a point outside the City, and shipped directly to the purchaser from a point of origin; or

(iv) That said property is mailed to the purchaser in the City from a point outside the City or delivered to a carrier at a point outside the City, F.O.B., or otherwise, and directed to the purchaser in the City, regardless of whether the cost of transportation is paid by the ~~vendor~~ RETAILER or by the purchaser; or

(v) That said property is delivered directly to the purchaser at a point outside the City.

(19)(18) Coin-Operated Laundry Equipment. On the full amount charged for the utilization, lease or rental of coin-operated laundry equipment used in laundromats, apartments and other multi-family dwelling units.

Section 4. Section 5-3-6 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-6. Exempt Transactions, Commodities and Persons.

(a) It shall be a violation of this Code for any seller to fail to collect, or any purchaser to fail to pay a tax levied by this Code, and on sales on which exemption is disputed.

(b) Should a dispute arise between the purchaser and seller as to whether or not any such sale is exempt from taxation hereunder, nevertheless, the seller shall collect and the purchaser shall pay such tax. The purchaser thereafter may apply to the FINANCE Director of Finance for a refund of such taxes paid as provided herein.

(c) The purchase and sale of articles of tangible personal property not otherwise exempt are subject to the sales or use tax imposed herein as well as those specific services cited as taxable in Section 5-3-5. The list of exempt commodities or articles cannot be increased by implication or similarity. In all cases, the burden of proof is upon the taxpayer to establish that a sale is tax exempt.

(d) Exempt from the imposition of the Northglenn Sales, Use or Accommodations Taxes, or any combination thereof, as the context sets forth are the following:

(1) Non-Taxable Service Sales. The amount equal to the consideration received for labor or service sold, if the consideration for such services are separately stated from the consideration received for the tangible personal property in the retail sale, or that proportionate percentage approved by the FINANCE Director of Finance of the City on combined sales of services and tangible personal property, that is deductible as the service labor portion of that total sale, or the total amount paid on the sale or purchase of exclusively non-taxable services.

(2) Sales for Taxable Resale (Wholesale) - Component Parts. The purchase price paid or charged on the sales to and purchase of tangible personal property by a person engaged in manufacturing or compounding for use, profit or sale, shall be deemed a wholesale sale when it meets all of the following conditions:

(i) Is actually and factually transformed by the process of manufacture.

(ii) Becomes by the manufacturing processes a necessary and

recognizable ingredient, component and constituent part of the finished product; and

(iii) Its physical presence in the finished product is essential to the use thereof in the hands of the ultimate consumer.

(3) Exempt Commercial Packaging Materials AND COMMERCIAL SHIPPING MATERIALS as defined herein.

(4) Sales for Taxable Resale (Wholesale) - Newsprint, Printer's Ink. The sales to and purchases of newsprint and printer's ink for use by publishers of newspapers and commercial printers shall be deemed to be wholesale sales.

(5) Sales for Taxable Resale (Wholesale) - to Other Licensed Retailers. The sale by wholesalers or retailers to a licensed retailer, jobber, dealer or other wholesaler for purposes of taxable resale, and not for the retailer's, jobber's, dealer's or wholesaler's own consumption, use, storage or distribution shall be deemed to be wholesale sales.

(6) Interstate Commerce Sales - Shipments Out of State. The sales of tangible personal property shall be exempted from the operation of this Code if both the following conditions exist:

(i) The sales are to those who reside or do business outside the state; and

(ii) The articles purchased are to be delivered to the purchaser outside the state by common, contract, or commercial carrier, who is employed to effect delivery by the seller, or by the conveyance of the seller, or by mail, provided however, that the article so purchase and so delivered is to be used, stored, distributed or consumed outside the state. (Refer to Subsection 5-3-6(d)(23))

Where the sale of TANGIBLE personal property involves the attachment or installation of such property to TANGIBLE personal property owned by the purchaser, delivery shall be deemed to occur at the point of such attachment or installation.

(7) Sales to the Federal Government, the State and its Subdivisions. The purchase price paid or charged on direct sales to and direct purchases by the United States Government; to the State of Colorado its departments or institutions and the political subdivisions thereof, including the City of Northglenn, in their governmental functions and activities only.

(8) Sales to Religious, Charitable and Quasi-Governmental Organizations. The purchase price paid or charged on direct sales to and direct purchases by religious, charitable and quasi-governmental corporations, in the conduct of their regular religious, charitable and

quasi-governmental capacities only, provided that the said organizations and corporations have applied for, been assigned and do furnish to the ~~vendor~~ RETAILER their City of Northglenn Exempt Institute License number. In the event no such City Exempt number is furnished, the ~~vendor~~ RETAILER is to charge the tax.

(8.5) Sales by Religious, Charitable and Quasi-Governmental Organizations.

The purchase price paid or charged by religious, charitable and quasi-governmental corporations at fund-raising events, providing that said religious, charitable and quasi-governmental corporations have applied for and have been assigned a City of Northglenn exempt institute license. In the event no such city exempt license has been issued, the religious, charitable and quasi-governmental corporations are to charge the tax. Sales conducted by or for outside RETAILERS OR vendors where the religious, charitable and quasi-governmental corporations share in any portion of the purchase price are not exempt, as it is the express intent of this provision that the exemption apply to the occasional bake and craft sales events.

(9) Sale of Gasoline. The purchase price paid or charged on commodities or motor fuel which has accrued or has been paid the motor fuel tax prescribed by the Colorado Motor Fuel Tax Law of 1933.

(10) The Sale or Purchase of Cigarettes.

(11) Bad Debts Charged Off. The amount of gross sales which are represented by account not secured by conditional sale contract or chattel mortgage and which are found to be worthless and are actually and properly charged off as bad debts for the purpose of the income tax imposed by the laws of the State of Colorado may be credited upon a subsequent payment of the tax herein. However, if any such accounts are hereafter collected by the taxpayer, the tax shall be paid upon the amount so collected. Provided, such credit shall not be allowed with respect to any account or item therein arising from the sale of any article under a conditional sale contract, other title retention agreements for all or part of the purchase price or from the retention agreements for all or part of the purchase price or from the sale of any article when the seller takes a chattel mortgage on the tangible personal property to secure all or part of the purchase price.

(12) Returned Goods. The amount equal to the sale price of property returned by the purchaser when the full sale price including the tax levied is refunded either in cash or by credit.

(13) Discounts and Allowances. The amount of discount from the original selling price if such discount or decrease in purchase price and the corresponding decrease in sales tax due is actually passed on to the consumer. An anticipated cash discount to be allowed for payment on or before a given date is not an allowable adjustment to the selling price in determining gross ~~taxable~~ sales on any ~~vendor's~~ RETAILER'S return prior to the date when the customer actually received the discount. Any adjustments in sale price such as allowable

discounts, rebates and credits cannot be anticipated and the tax must be based upon the original price unless such adjustments have actually been made prior to the filing of the return wherein such sale is reported. Provided, if the price upon which the tax was computed and paid to the City by the ~~vendor~~ RETAILER is subsequently readjusted prior to the payment of the tax by the purchaser, a proper credit may be taken against the tax due on the next subsequent return.

(14) Trade-Ins for Taxable Resale. The amount equal to the fair market value of any exchanged or traded-in property which is to be resold thereafter in the usual course of the retailer's business, if included in the full price of an article sold.

(15) Medical Supplies, ~~Drugs Dispensed in Accordance with a Prescription~~ DRUGS and Prosthetic Devices FOR HUMANS. The sale or purchase FOR HUMANS of medical supplies, ~~drugs dispensed in accordance with a prescription~~ DRUGS, THERAPEUTIC DEVICES, and prosthetic devices as defined herein. HOWEVER, IF A THERAPEUTIC DEVICE OR RELATED ACCESSORY HAS A RETAIL VALUE OF MORE THAN ONE HUNDRED DOLLARS, IT MUST BE SOLD IN ACCORDANCE WITH A WRITTEN RECOMMENDATION FROM A LICENSED DOCTOR TO QUALIFY FOR THIS EXEMPTION.

(16) The sales and purchases of commodities and services under the provisions of Subsection 5-3-5(c)(7) hereof to any occupant who is a permanent resident of any hotel, apartment-hotel, lodging house, motor hotel, guest house, guest ranch, mobile home, auto camp, trailer court or park or any other place and who enters into or has entered into a written agreement for occupancy of a room or rooms or accommodations for a period of at least thirty (30) consecutive days during the calendar year or preceding year. This exemption shall not apply to the sale or sales of any goods, services or commodities other than the furnishing of rooms and accommodations, unless such goods, services or commodities are otherwise exempt from the tax as provided herein.

(17) Finance Charges. The amount paid by any purchaser as, or in the nature of, interest or finance charges on account of credit extended in connection with the sale of any tangible personal property if the interest or finance charges are separately stated from the consideration received for the tangible personal property transferred in the retail sale, and if included in report of gross sales ~~and services~~ are deductible therefrom.

(18) Newspapers. The amount paid or charged for newspapers published on a daily through weekly basis and admitted to the United States mails as second class matter under the provisions of the Federal Act of March 3, 1897, or any amendments thereof.

This exemption on sale of newspapers may not be extended to include: PREPRINTED NEWSPAPER SUPPLEMENTS ~~magazines, and magazines included in newspapers usually appearing on Sundays, trade publications or journals, credit bulletins, advertising pamphlets, and circulars in newspapers, circulars, directories, maps, racing programs,~~

~~reprints, newspaper clipping and mailing service or listings, publications that include an updating or revision service, books and pocket editions of books, or other newspapers not otherwise qualifying under the first paragraph above.~~

Any and all other printed matter of whatsoever nature used or consumed or sold in Northglenn is taxable and if given free of charge to the ultimate consumer, then it is taxable to the distributee and the printer is required to collect and remit the tax. In case the printer is not licensed, the distributee is required to collect and remit the tax directly to the City. In case the distributee is not licensed with, or located within, the City of Northglenn, then the fair market value of such gifts are taxable to the recipient.

(19) Cattle, Sheep Etc. The sale or purchase of neat cattle, sheep, lambs, swine and goats and purchases of mares and stallions for breeding purposes and all farm auction closeout sales.

(20) Sales to Contractors Who Have Prepaid the Tax. The sales to and purchases by contractors of building materials only for installation, use or consumption on job sites or building construction addresses on which a City Building Permit has been issued, provided that:

(i) The building materials were included items in determining the valuation of the construction for purposes of issuance of the City Building Permit.

(ii) The ~~vendor~~ RETAILER records on the invoice of sale, the job site address and City Building Permit number.

(iii) The contractor has prepaid the tax directly to the City on the estimated basis based on a percentage of the building or construction valuation on the issuance of that permit.

(21) Automotive Vehicles to Non-Residents. The sale of automotive vehicles if the sale meets all of the following conditions:

(i) The purchaser is a bona fide nonresident of the City of Northglenn;
and

(ii) The vehicle is registered or required to be registered outside of the City of Northglenn under the laws of the State of Colorado.

The exemption shall not include parts, repairs and parts, mounted equipment or any other item to be used for, or on, or attached or affixed to the automotive vehicles as hereinafter defined subsequent to the automotive vehicle's initial sale.

(22) Deliveries to Non-Resident Outside City. The sales of tangible personal property shall be exempted from the operation of this Code if both the following conditions exist:

(i) The sales are to those who reside or do business outside the City;

(ii) The articles purchased are to be delivered to the purchaser outside the City by common contract or commercial carrier who is employed to effect delivery by the seller or by the conveyance of the seller, or by mail, provided, however, that the article so purchased and so delivered is to be used, stored, distributed or consumed outside the City.

Where the sale of TANGIBLE personal property involves the attachment or installation of such property to TANGIBLE personal property owned by the purchaser, delivery shall be deemed to occur at the point of such attachment or installation.

(23) Payment of Northglenn Sales Tax - No Northglenn Use Tax Due. The use, storage, distribution or consumption in the City of tangible personal property upon the sale of which the Northglenn Retail Sales Tax has been imposed, collected and remitted is exempt from the levy of the Use Tax.

(24) Payment of Other Colorado Municipality Tax - No Northglenn Use Tax Due. The use, storage, distribution or consumption in the City of tangible personal property upon the sale of which a retail sales tax has been imposed, collected and remitted to a municipal corporation organized and existing under the authority of the Constitution of the State of Colorado is exempt from the levy of the Northglenn Use Tax. If the rate of retail sales tax is less than the rate imposed by the City of Northglenn then the City use tax will be due on the net difference. This exemption will be denied if a tax paid another Colorado municipal corporation was not legally due under the laws of such municipal corporation or the laws of the Colorado municipal corporation are not compatible with those of the City of Northglenn as to specific taxation and exemption as applied to the transaction in question. This exemption shall also be denied for subsequent transactions within the City including but not limited to rentals and leases.

(25) Payment of Other States Sales Tax - No Northglenn Use Tax Due. The use, storage, distribution or consumption in the City of tangible personal property and upon the sale of which any other state or any other state in combination with any subdivision thereof has imposed and collected a retail sales tax at a rate equal to or greater than the combined retail sales taxes imposed by the State of Colorado, the City of Northglenn and any political subdivision of the State of Colorado which includes the City of Northglenn is exempt from the levy of the Northglenn Use Tax. If the rate of retail sales tax paid to such other State and/or its political subdivisions thereof is less than the combined retail sales taxes imposed by the State of Colorado, the City of Northglenn and any political subdivision of the State of Colorado which includes the City of Northglenn, then the City Use Tax will be due on the net difference.

This exemption will be denied if a tax paid another state and/or its subdivisions thereof was not legally due under the laws of such other State and its subdivisions, or the laws of that State and/or its subdivisions are not compatible with those of the City of Northglenn as to specific taxation and exemption as applied to the transaction in question. This exemption shall also be denied for subsequent transactions within the City including but not limited to rentals and leases.

(26) Transient Not Liable on Prior Purchases. The use, storage, distribution or consumption while temporarily within this City of tangible personal property brought into the City by a non-resident thereof for his own personal use is exempt hereunder.

(27) Purchase Prior to Residency in City - Not Taxable. The use, storage, distribution or consumption of tangible personal property of a resident if such TANGIBLE personal property was purchased and used for a substantial length of time and primary purpose for which it was acquired prior to becoming a resident of the City is exempt hereunder. "Substantial length of time" shall be defined in all cases, except for motor vehicles, and out-of-state titled mobile homes, as the length of time in which the property in question has depreciated by more than one-third (1/3) of the original purchase price of value based on the standards of the industry.

(28) Non-Resident Not Liable for Auto Use Tax on Use in City. The use or storage in the City of automotive vehicles is exempt hereunder if:

(i) The owner is or was, at the time of purchase, a non-resident of Northglenn; and

(ii) The owner purchased the vehicle outside of this City for use outside of this City, and actually so used it for a substantial and primary purpose for which it was acquired; and

(iii) The owner registered, titled and licensed said motor vehicle outside of the City of Northglenn.

(29) Constitutional Preclusion from Northglenn Sales and Use Tax. All the sales, uses and other transactions which the City is prohibited from taxing under the Constitution and laws of the United States or under the Constitution of the State of Colorado are exempt hereunder.

(30) Purchase Price Shall Not Include Other Direct Taxes. The Northglenn City Sales and Use Tax shall not apply to any direct tax imposed by this Code, or by the Federal Government, or by the State of Colorado.

(31) Food Purchased With Food Stamps or WIC Vouchers or Checks. The

Northglenn Sales Tax shall not apply to the sales of any food FOR HOME CONSUMPTION, as specified in 7 U.S.C. 2012(g) or 42 U.S.C. 1786, as such sections exist on October 1, 1987, or are thereafter amended, which food is purchased with food stamps pursuant to the federal food stamp program or which is purchased with WIC vouchers or checks pursuant to the Federal Special Supplemental Program for women, infants and children.

(32) Private Communications Services. Which mean communications services furnished to a subscriber which entitles the subscriber to exclusive or priority use of any communication channel or groups of channels or to the use of any interstate intercommunications system for the subscriber's stations.

(33) Sales by Recognized Youth Groups. Sales by a recognized youth group affiliated with a charitable organization or a governmental entity. For purposes of this subsection (d)(33) only, a charitable organization shall be limited to an charitable organization that has received a designation as such pursuant to 26 U.S.C. §501(c)(3).

Section 5. Section 5-3-7 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-7. Taxpayer (~~Vendor~~ RETAILER and Consumer) Liability.

(a) Exemption - Burden of Proof. The burden of proving that any vendor, retailer, consumer or purchaser is exempt from collecting or paying the tax upon any goods sold or purchased, paying the same to the FINANCE Director ~~of Finance~~ or from making such returns, shall be on the vendor, retailer, consumer or purchaser under such reasonable requirements of proof as the FINANCE Director ~~of Finance~~ may prescribe.

(b) FINANCE Director May Require Reports, Records. The FINANCE Director may require any person, by regulation or notice served on such person, to make such return, render such statement or keep and furnish such records or make such information reports as the FINANCE Director may deem sufficient to show whether or not such person is liable under this Act for payment or collection of the tax imposed herein.

(c) ~~Vendor~~ RETAILER Responsibility for Collection of Tax. Every retailer or vendor engaged in business and selling at retail as the same are defined in this Code shall, irrespective of the provisions of Section 5-3-3(c) of this Code, be liable and responsible for the payment of an amount equivalent to the amount of the tax imposed by Section 5-3-3 computed on the total of all sales made by him of commodities or services as specified in Section 5-3-5 of this Code.

(d) ~~Vendor~~ RETAILER Responsibility for Remittance of Tax. Every retailer or vendor engaged in business and selling at retail, as the same are defined in this Code, shall file a return as prescribed herein with the FINANCE Director ~~of Finance~~ on or before the twentieth (20th) day of the month for the preceding month or months under report and remit the amount of

tax imposed by Section 5-3-3 computed on the total of such sales and also the amount of any excess tax collections as provided in Section 5-3-15, less one percent (1%) of the amount of taxes to be paid by him under this Code to cover the retailer's expense of collection and remittance of the tax; but if any ~~vendor~~ RETAILER is delinquent in remitting said tax other than in unusual circumstances shown to the satisfaction of the FINANCE Director ~~of Finance~~, the ~~vendors~~ RETAILERS shall not be allowed to retain any amounts to cover his expense in collecting and remitting said tax and an amount equivalent to the full tax shall be remitted to the FINANCE Director ~~of Finance~~ by any such delinquent ~~vendor~~ RETAILER. The retailer shall add the tax as a separate and distinct item and such tax shall be a debt from the consumer to the retailer and shall be recoverable at law in the same manner as other debts.

Section 6. Subsection 5-3-7.5(a) of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-7.5. Remittance of Tax- Electronic Database- Retailer Held Harmless.

(a) Any retailer that collects and remits sales tax to the FINANCE Director ~~of Finance~~ as provided in this Code may use an electronic database of state addresses that is certified by the State Department of Revenue pursuant to §39-26-105.3, C.R.S., to determine the jurisdictions to which tax is owed.

Section 7. The title of Section 5-3-8 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-8. Licenses for ~~Vendors~~ RETAILERS.

Section 8. Section 5-3-8.5 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-8.5. Special SALES Events-~~Sales Tax License and Collections.~~

(a) No special SALES events shall occur without the issuance of a special SALES events license to the organizer of the special SALES events, which license shall cost five dollars (\$5.00). The RETAILERS OR vendors of a special SALES events need not individually obtain a license if a special SALES events license has been issued to the organizer of the special event. If there is no special events organizer, the vendors at the special SALES event must obtain their own sales tax license and collect and remit the tax to the City pursuant to this Chapter 5. The organizer shall remit all taxes collected by the vendors who do not have a sales tax license for the event and for all vendors who have a license but who elect to have the organizer remit the tax.

(b) No later than one (1) day before the start of the special SALES event, the special events organizer shall provide the Finance Director ~~or his designee~~ with a list of the names and addresses of all the RETAILERS OR vendors of the special SALES event, and a list of all tax license numbers of vendors who have obtained their own licenses for the event and are remitting

the tax to the City themselves.

(c) Vendors or organizers of a special SALES event must remit the sales tax they collect pursuant to Section 5-3-78.5(c) and complete a tax schedule on a form provided by the Finance Director ~~or his designee~~. Only the organizer will be permitted to take the deduction for the one percent (1%) of taxes remitted.

Section 9. Subsection 5-3-9(a)(1) of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-9. Exempt Institutions--License.

(a) No exempt institution, including quasi-governmental, religious, charitable or other type institutions may purchase tax free in Northglenn or use in Northglenn, tangible personal property or taxable services tax free unless;

(1) Application for "Exempt" License. That exempt group applies for City of Northglenn "**Exempt Institution License Number**," which license number shall be furnished by the institution to any RETAILER OR vendor prior to the allowance of a purchase tax-free.

Section 10. Section 5-3-10 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-10. Contractors--Business Consumers.

(a) Contractors--or Owners or Lessees of Realty--Methods of Paying. Every contractor who shall build, construct, reconstruct, alter, expand, modify or improve any building, dwelling or other structure or improvement to real property including all work performed on Federal, State, County exempt institutions and private construction job sites in this City and who shall purchase lumber, fixtures or any other building materials and supplies used, therefore, and every owner or lessee of realty situated in the City and of improvements and structures located upon realty, situate in the City upon which any article or articles of tangible personal property acquired from sources within or without the City, are attached or affixed and which contractor, owner or lessee has not paid the tax imposed by this Code thereon, to a RETAILER OR vendor required or authorized to collect the same, shall pay the Northglenn Sales and Use Tax in either of two ways;

(1) Payment on Estimated Basis. By paying the tax on the "Estimated Percentage Basis" based on a percentage of the total valuation of construction contract and paid, either through the owner, lessee or the general contractor, or separately if he is a subcontractor electing to do so, at the time a building permit is issued.

(2) Payment on Actual Basis. Contractors, owners or lessees not electing first

alternative, must license with the City of Northglenn and monthly make reports and returns remitting the tax and showing all information as prescribed on Northglenn Consumer Use Tax Returns.

(b) Business Consumer--Method of Payment. Every person who operates or maintains in this City a business as defined in Subsection 5-3-4(a)(6) hereof, and who purchases, leases or rents tangible personal property and taxable services for use, storage, distribution or consumption in the City in connection with the said business, from sources within or without the City and taxable hereunder, and who has not paid the Northglenn City Sales and Use Tax imposed herein, to a RETAILER OR vendor required or authorized to collect the same shall satisfy the Northglenn City Sales and Use Tax in either of two ways:

(1) Monthly Consumer Reports. Monthly make a return and pay the tax due to the FINANCE Director on or before the twentieth (20th) day of each calendar month for the preceding calendar month; or

(2) Annual, Semi-Annual and Quarterly Consumer Reports. Secure Northglenn Consumer Use Tax License number and report and remit such Use Tax due on a reporting basis agreed to by the FINANCE Director.

Section 11. Subsection 5-3-11(b) of the Northglenn Municipal Code is hereby amended as follows:

(b) Purchasers Liable for Prior Owner's Unpaid Tax. Purchasers of a business are liable for any unpaid tax of a predecessor. ~~Vendors~~ RETAILERS or consumers having outstanding accounts on which sales or use tax has not been remitted must compute and pay the tax at the time of sale.

Section 12. Section 5-3-12 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-12. Individual Consumer Use Tax Payments. Every resident of the City who purchases, leases or rents tangible personal property and taxable services for use, storage, distribution or consumption in the City, from sources within or without the City and taxable hereunder, and who has not paid the tax imposed by this Code thereon to a RETAILER OR vendor required or authorized to collect the same shall file a Northglenn Consumer Use Tax Return and pay the tax due to the FINANCE Director within thirty (30) days from the purchase, lease or rental of such tangible personal property and taxable services.

Section 13. Section 5-3-13 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-13. Automotive Vehicle Purchases.

(a) Purchasers of Automotive Vehicles. Any person residing in the City, as specified by 42-6-137, C.R.S., who shall purchase any automotive vehicle, as defined in subsection 5-3-4(a)(5) of this Code, whether new or used, from sources within or without this City, for use within the City, and who has not paid the tax imposed thereon by this Code, to a RETAILER OR vendor required or authorized to collect such tax, shall immediately and prior to registering the vehicle, pursuant to 42-6-137, C.R.S., and obtaining the license therefor, shall make a return showing such transaction to the FINANCE Director and thereupon pay to him the tax applicable thereto as provided in this Code, and failure to do so shall constitute a violation of this Code.

(b) Incorrect Registration of Automotive Vehicles.

(1) As used in this Section:

(i) **"Penalty Assessment"** means a written notice of the FINANCE Director's determination that a violation of 42-6-137(2), C.R.S., has occurred and assessment and demand for the payment of the civil penalty provided for in subsection (3) of this Section 5-3-13(b).

(ii) **"Notice of Deficiency"** means the notice issued by the FINANCE Director pursuant to Section 5-2-8 of this Code of failure, neglect or refusal to pay any sales or use tax due or any penalties or interest thereon.

(2) It is unlawful to register a motor vehicle in violations of the provisions of 42-6-137(2), C.R.S.

(3) Any person who causes a motor vehicle to be registered in violation of the provisions of 42-6-137(2), C.R.S., shall be assessed a five hundred dollar (\$500.00) civil penalty pursuant to the authority granted in 42-6-137(4), C.R.S. The procedure for the assessment of such civil penalty shall be as follows:

(i) When the FINANCE Director determines on such information as is available that a person has caused a motor vehicle to be registered in violation of the provisions of 42-6-137(2), C.R.S., the FINANCE Director shall provide to such person a penalty assessment. If the FINANCE Director also has determined pursuant to Section 5-2-7 that sales or use taxes are due to the City on the purchase of such motor vehicle, such penalty assessment may be included in a Notice of Deficiency.

(ii) Such person shall pay such penalty assessment within the same time period provided pursuant to Section 5-2-8 for payment of any amount due pursuant to a Notice of Deficiency, unless such person requests a hearing in the manner provided in paragraph (iii) of this subsection.

(iii) If such person desires to protest such penalty assessment, such

person shall request, in writing, a hearing from the FINANCE Director, pursuant to Section 5-2-18(a) for requesting a hearing on a Notice of Deficiency. The request for hearing shall also set forth the facts which show that a violation of Sec. 42-6-137 (2), C.R.S., did not occur. The FINANCE Director shall issue a written decision affirming or withdrawing such penalty assessment within the same time period and in the same manner as provided pursuant to Section 5-2-18(h) after a hearing on a Notice of Deficiency. If the decision affirms the penalty assessment, such person shall pay such civil penalty within the same time period as provided pursuant to Section 5-2-18(i) for payment of any amount due pursuant to a Notice of Deficiency.

(iv) Such person may seek judicial review of the FINANCE Director's decision pursuant to C.R.C.P. 106(a)(4). No such judicial review shall be available if a request for hearing was not timely made in the manner provided for in paragraph (iii) of this subsection (3).

(v) The FINANCE Director may enforce collection of such penalty assessment in the same manner as provided pursuant to Sections 5-2-25 through 5-2-28 for the collection of unpaid sales or use taxes, penalties or interest.

(vi) Nothing in this Section 5-3-13 shall preclude the collection of any tax or fee provided by law, the collection of any penalties or interest thereon provided by law, or the imposition of any other civil or criminal penalty provided by law.

Section 14. Section 5-3-14 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-14. Tax on Credit Sales, Etc. Whenever tangible personal property is sold, including that sold in conjunction with the sale of a business, which is taxable hereunder, under a conditional sales contract or rental purchase contract whereby the seller retains title as security for all or part of the purchase price, or whenever the seller takes a chattel mortgage on such tangible personal property to secure all or part of the purchase price, the total tax based on the total selling price shall become immediately due and payable. The tax shall be charged, or collected and remitted by the ~~vendor~~ RETAILER. No refund or credit shall be allowed to either party to the transaction in case of repossession.

Section 15. Section 5-3-15 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-15. Excess Collections - Failure to Remit Collections. If any ~~vendor~~ RETAILER shall, during any reporting period, collect as a tax an amount in excess of four percent (4%) of his total taxable sales, he shall remit to the FINANCE Director ~~of Finance~~ the full net amount of the tax herein imposed and also such excess. If record of City and State Tax Collections are kept separately, the ~~vendor~~ RETAILER will remit excess of City tax collected over and above City Net Taxable Sales and Service. If there is no separate record kept of City and State tax collections and it is not possible to determine the excess to be remitted to each, the

~~vendor~~ RETAILER shall remit forty-nine percent (49%) of such excess to the City. The retention by the ~~vendor~~ RETAILER of any excess collections or the intentional failure to remit punctually to the FINANCE Director ~~of Finance~~ the full amount required to be remitted by the provisions of this Code, is hereby declared to be a violation of this Code.

Section 16. Section 5-3-16 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-16. Unlawful to Advertise Absorption of Tax. It shall be unlawful for any taxpayer or ~~vendor~~ RETAILER to advertise or hold out or state to the public or to any customer, directly or indirectly, that the tax or any part thereof imposed by this Code will be assumed or absorbed by the ~~vendor~~ RETAILER or taxpayer or that it will not be added to the selling price of the property sold, or, if added, that it or any part thereof will be refunded. Any person violating this provision of this Code shall be subject to the penalties herein provided.

Section 17. Section 5-3-17 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-17. Special Accounting.

(a) Alcoholic Beverage Sales by the Drink and ~~Vending Machine~~ COIN OPERATED DEVICE Sales of Tangible Personal Property. Any retailer selling malt, vinous or spirituous liquors by the drink or ~~vending machine~~ COIN OPERATED DEVICE sales may include in his sales price the tax levied under this section; provided, that no such retailer shall advertise or hold out to the public in any manner, directly or indirectly, that such tax is not included as part of the sales price to the consumers. The schedule set forth in Section 5-3-3 of this Code shall be used by such retailer in determining amounts to be included in such sales price. No such retailer shall gain any benefit from the collection or payment of such tax except as permitted in subsection 5-3-7(d) nor shall the use of the schedule set forth in Section 5-3-3 of this Code relieve such retailer from liability for payment of the full amount of the tax levied by this Section.

(b) Combined Sales of Services and TANGIBLE Personal Property. Every retailer or vendor conducting a business in which the transaction between the ~~vendor~~ RETAILER and the consumer or purchaser consists of the supply of tangible personal property and services in connection with the maintenance or servicing of same, shall be required to pay the tax levied under this Code upon the full contract price, unless application is made to the FINANCE Director ~~of Finance~~ for permission to use a percentage basis for reporting the tangible personal property sold and the services supplied under such contract. The FINANCE Director ~~of Finance~~ is hereby authorized to determine the percentage based upon the ratio of the tangible personal property included in the consideration as it bears to the total of the consideration paid under said combination contract or sale which shall be subject to the tax levied pursuant to the provisions of this Code. This Section shall not be construed to include terms upon which the tax is imposed on the full purchase price as defined in Section 5-3-4(a)(41) of this Code, nor shall it be construed as an allowance for the ~~vendor~~ RETAILER to fail to itemize to the customer the taxable and non-

taxable portions of the bill.

(c) Use Tax Collections by Non-Resident ~~Vendors~~ RETAILERS. Every retailer or vendor engaged in business in this City, as the same is defined herein, and making sales, even though not maintaining an office in this City, of tangible personal property or taxable services subject to the Use Tax, must, in accordance with this Code, collect and remit the Use Tax on such sales in like manner as Northglenn Retailers collect and remit the Sales Tax. Provided, that if the non-resident ~~vendor~~ RETAILER petitions the FINANCE Director of ~~Finance~~ stating that the imposition of the tax on an individual sales basis will impose an unnecessary hardship, and if the type and occasion of sale so warrants, the FINANCE Director may accept payment of that ~~vendor's~~ RETAILER'S tax liability on regularly audited and reasonable estimated payment basis. This estimated payment will be based on the surveyed Northglenn Sales and Use Tax liability as it bears to the ~~vendor's~~ RETAILER'S aggregate gross sales ~~and services~~.

(d) Contractor Estimated Payment Basis. Satisfaction in full of Northglenn Sales and Use Taxes "**Estimated Payment Basis**," based on the percentage of construction valuation as herein set forth in Section 5-3-10 shall be allowed.

Section 18. Section 5-3-18 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-18. Tax Returns--Content, Consolidation, Reporting Periods.

(a) Tax Return; Content, Form, etc. The returns to be filed by the taxpayer, or the taxpayer's trustee, manager, officer or director shall contain such information and be completed in such manner and upon such forms as the FINANCE Director of ~~Finance~~ may prescribe. When a return filed by a taxpayer does not include a signature, a correct City of Northglenn account number, or any other information required by the Finance Director, the Finance Director has the right to send back to the taxpayer the return and payment. The Finance Director may consider an improperly filed return to be not filed with the City of Northglenn. A valid digital signature on a filed return is accepted and held as a written signature.

(b) Consolidation of Returns. A ~~vendor~~ RETAILER doing business in two or more places or locations, whether in or without the City, and collecting taxes hereunder, may file one return covering all such places or locations, when accompanied by a supplemental report showing the gross sales ~~and service~~ and net taxable sales and service and taxes collected thereon for each such place or location.

(c) Reporting Periods. If the accounting methods regularly employed by the ~~vendor~~ RETAILER or licensed consumer in the transaction of his business, or other conditions, are such that the returns aforesaid made on a calendar month basis, will impose unnecessary hardship, the FINANCE Director of ~~Finance~~ may upon request of the ~~vendor~~ RETAILER, or licensed consumer, accept returns at such intervals as will, in his opinion, better suit the convenience of

the taxpayer and will not jeopardize the collection of the tax; provided, however, the FINANCE Director of Finance may by rule permit a ~~vendor~~ RETAILER or licensed consumer whose monthly tax collected is less than one hundred (\$100) to make returns and pay taxes at intervals not greater than(3) three months, or as approved by the FINANCE Director of Finance.

Section 19. Subsection 5-3-19(a) of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-19. Retailer and Consumer License--Application Contents.

(a) Application-Content. Northglenn retailer and consumer licenses shall be granted only upon application stating the name, address, and date of birth of the person desiring such license, the name of such business and the character thereof, the applicable Federal Identification number and State of Colorado license number of the business, the physical location of the business, the physical location phone number, and the contact phone number, fax, and email address. Other facts may be required by the FINANCE Director of Finance such as, but not limited to, the date of birth, driver's license number, and social security number of an officer or owner of the business. The application must be signed and dated under the penalty of perjury by an owner or officer of the business. A valid digital signature is accepted and held as a written signature. Any person doing business as a wholesaler shall obtain a retailer's license if any sales are made at retail as defined herein. Applications for such licenses shall be made to the FINANCE Director of Finance. The City Clerk shall issue and renew such licenses.

Section 20. Subsection 5-3-21(a) of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-21. Revocation of License by City Clerk.

(a) The City Clerk may, on reasonable notice and after full hearing, revoke the license of any person found to have violated any provisions of this Code, in accordance with the provisions of Article 1 of Chapter 18 of the Municipal Code. The FINANCE Director of Finance shall promptly notify the City Clerk of any violations of the provisions of this Code of which he becomes aware.

Section 21. Section 5-3-23 of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-23. Method of Payment Determined by the FINANCE Director.

(a) The FINANCE Director shall have the discretion to enter into an agreement with taxpayers to allow for payment of required taxes on an installment basis when such a method would be equitable for the taxpayer and the City.

(b) The Code provides the following methods for the payment of the sales tax:

(i) If the ~~vendor~~ RETAILER maintains a place of business or office in the City or State, such ~~vendor~~ RETAILER shall be responsible for the collection and remittance of the sales tax on all sales made by such a ~~vendor~~ RETAILER for use, storage, distribution, or consumption in Northglenn regardless of whether or not the purchaser buys through offices in the City or State, or orders by mail, internet, or otherwise direct from the retailer in another city or state.

(ii) If the ~~vendor~~ RETAILER does not have an office or place of business in the City or State, but does have salespersons or other representatives soliciting orders and making sales in Colorado and Northglenn, then such ~~vendor~~ RETAILER may be responsible for the entire tax on all sales made for use, storage, distribution, or consumption in Northglenn and if such ~~vendor~~ RETAILER does not assume such responsibility, then such salespersons or agents must collect and remit the Northglenn Tax.

(iii) At the FINANCE Director ~~of Finance~~'s discretion a cash deposit may be required of any transient ~~salesperson or~~ vendor subject to refund of such cash deposit upon complete compliance with the licensing and reporting provisions of this Code. The refund time limitations and other provisions set out in Section 5-2-13 of this Code shall apply in cases of such cash deposit. The FINANCE Director ~~of Finance~~ shall require a deposit in an amount sufficient to pay any tax liability of the transient ~~salesperson or~~ vendor arising under this Code based on the best information available to the FINANCE Director ~~of Finance~~.

Section 22. Subsection 5-3-24(a) of the Northglenn Municipal Code is hereby amended as follows:

Section 5-3-24. Evasion of Collection, Separate Violations, Personal Liability and Citation Authorization.

(a) Evasion or Avoidance of Tax. It shall be a violation of this Code for any retailer, vendor, consumer, purchaser or any other person subject to the tax levied by the City of Northglenn Retail Sales and Use Tax Code to refuse to make any return provided to be made by this Code, or to make any false or fraudulent return, or any false statements in any return, or to fail or refuse to make payment to the FINANCE Director ~~of Finance~~ of any taxes collected or due the City, or in any manner to evade the collection and payment of the tax, or any part thereof imposed by this ordinance, or for any person or purchaser to fail or refuse to pay such tax or evade the payment thereof, or to aid or abet another in any attempt to avoid the payment of the tax imposed by making a false return or a return containing a false statement shall have violated this Code and shall be subject to prosecution and the imposition of penalties as provided by law. Any person in violation of any Section shall be subject to these same penalties.

INTRODUCED, READ AND ORDERED POSTED this ____ day of _____,
2017.

JOYCE DOWNING
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

PASSED ON SECOND AND FINAL READING this ____ day of _____,
2017.

JOYCE DOWNING
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney