

FINANCE MEMORANDUM
#11-2026

DATE: July 6, 2026

TO: Honorable Mayor Meredith Leighty and City Council Members

THROUGH: Heather Geyer, City Manager *hmg*

FROM: Jason Loveland, Deputy City Manager *12*

SUBJECT: Elimination of the 1% Vendor Fee

PURPOSE

To consider amending Section 5-3-7(d) of the Northglenn Municipal Code to eliminate the one percent (1%) vendor fee that reimburses vendors for the expense of collecting and remitting taxes.

BACKGROUND

The vendor fee is an administrative rebate of sales tax provided to vendors that submit their sales tax returns and taxes due on or before the due date. With the implementation of various sales tax simplification measures, staff believes the rebate is no longer necessary. Staff recommends the following amendment to the Code:

5-3-7. Taxpayer (Retailer and Consumer) Liability.

(d) 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 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 the retailer or vendor engaged in business and selling at retail under this Code to cover the retailer's expense of collection and remittance of the tax; but if any retailer is delinquent in remitting said tax other than in unusual circumstances shown to the satisfaction of the Finance Director, the retailers shall not be allowed to retain any amounts to cover the retailer's expense in collecting and remitting said tax and an amount equivalent to the full tax shall be remitted to the Finance Director by any such delinquent 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.

BUDGET/TIME IMPLICATIONS

Eliminating the 1% vendor fee would result in approximately \$300,000 in additional revenue to the City. With Council consensus, staff will bring an ordinance forward on first reading at the July 13 City Council meeting, with an effective date of Jan. 1, 2027.

STAFF RECOMMENDATION

Staff recommends eliminating the 1% vendor fee.

STAFF REFERENCE

If Council members have any questions, please contact Jason Loveland, Deputy City Manager, at jloveland@northglenn.org or 303.450.8817.