

ORDINANCE NO. 14- 22

AN ORDINANCE CREATING A NEW SECTION 450 (SALES OR USE TAX IN A COMMERCIAL AERONAUTICAL ZONE) OF PART 4 (EXEMPT TRANSACTIONS, COMMODITIES, AND PERSONS; DEDUCTIONS) OF ARTICLE 7 (SALES AND USE TAX) OF CHAPTER 2 (BUSINESS LICENSING, LIQUOR REGULATION AND TAXATION) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, PERTAINING TO A SALES OR USE TAX EXEMPTION WITHIN A COMMERCIAL AERONAUTICAL ZONE

WHEREAS, City Council finds that the City's economic vitality is enhanced and strengthened through development of a thriving and self sustaining business environment associated with the Colorado Springs Airport; and

WHEREAS, City Council finds that businesses that purchase, lease, manufacture, repair and overhaul commercial aircraft are important contributors to job retention and creation and the City's business climate in general; and

WHEREAS, City Council finds that encouraging business spending and enhancing business transactions related to commercial aeronautical activities will further foster the business friendly climate Colorado Springs promotes; and

WHEREAS, the beneficial effects of job growth and enhanced business spending at the Colorado Springs Airport has a multiplier effect beyond the boundaries of the Airport property and contributes to the economic vitality of the City; and

WHEREAS, City Council finds that attracting new businesses and allowing existing businesses to expand through sales tax exemptions has a public and municipal purpose and is good public policy.

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

Section 1. A new Section 450 (Sales or Use Tax in a Commercial Aeronautical Zone) of Part 4 (Exempt Transactions, Commodities and Persons: Deductions) of Article 7 (Sales and Use Tax) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, is created to read as follows:

2.7.450: SALES OR USE TAX IN A COMMERCIAL AERONAUTICAL ZONE:

A. There shall be exempt from sales or use tax under this City Tax Code:

1. The sale, purchase, lease, rental, use, storage, distribution or consumption of any aircraft within the commercial aeronautical zone.

2. The sale, purchase, lease, rental, use, storage, distribution or consumption of any aircraft parts used or consumed in the manufacture, maintenance, repair or overhaul of aircraft within the commercial aeronautical zone.

3. The sale, purchase, lease, rental, use, storage, distribution or consumption of supplies, equipment, tooling, solvents and/or paints that are used or consumed in the course of manufacture, maintenance, repair or overhaul of aircraft or capital equipment within the commercial aeronautical zone, and that are necessary and essential to these operations. Items that are incidental to these operations, such as office machines, office supplies, cleaning supplies, transportation equipment and other incidental items are not exempted by this section. For purposes of this subsection, "equipment" shall include equipment for manufacture, maintenance, repair or overhaul, notwithstanding the definition of "equipment" in section 2.7.104 of this article.

4. Purchase or lease of capital equipment directly and exclusively used or consumed in the manufacture, maintenance, repair, or overhaul of aircraft within the commercial aeronautical zone.

B. For the purposes of this section, the term "commercial aeronautical zone" shall mean the area encompassed by the geographical boundaries of the Colorado Springs Airport, within which a business engages in activities, including but not limited to purchase, lease, manufacture, repair, overhaul, storage or use of aircraft parts, supplies or solvents, including paints, in the course of manufacture, repair or overhaul of aircraft. Such businesses with frontage on a roadway within, or contiguous to, the geographical boundaries of the Colorado Springs Airport shall be included in the commercial aeronautical zone regardless of whether the physical location of the frontage is within the geographical boundary of the Colorado Springs Airport.

Section 2. This ordinance shall be in full force and effect on the first day of June 2014, after its final adoption and publication as provided by Charter.

Section 3. Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance be available for inspection and acquisition in the office of the City Clerk.

Introduced, read, passed on first reading and ordered published this 25th day of March 2014.

Finally passed: _____

Keith King, Council President

Mayor's Action:

Approved: _____

Disapproved: _____, based on the following objections:

Steve Bach, Mayor

Council Action:

- Finally adopted on a vote of _____, on _____
- Amended and resubmitted _____

Keith King, Council President

ATTEST:

Sarah B. Johnson, City Clerk