

ORDINANCE NO. 19-_____

AN ORDINANCE AMENDING SECTIONS WITHIN PART 3 (TAXABLE TRANSACTIONS, COMMODITIES AND SERVICES) AND 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 SALES AND USE TAX DEFINITIONS

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

Section 1. Section 312 (Tangible Personal Property) and Section 313 (Vending Machines, Amusement Devices) of Part 3 (Taxable Transactions, Commodities and Services) 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 amended to read as follows:

2.7.312: TANGIBLE PERSONAL PROPERTY:

The sales or use tax is imposed on the purchase price paid or charged upon the sale, purchase, lease, rental or grant of license to use, **grant of right to access**, or on the use, storage, distribution or consumption of tangible personal property purchased pursuant to a retail sale, and on the subsequent lease, rental or sale of tangible personal property by any person to every consumer regardless that the person purchasing and subsequently leasing, renting or selling that personal property paid the tax imposed on the initial purchase and use of the property acquired which is subsequently leased, rented or sold.

Section 2. Multiple Sections under 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 amended to read as follows:

2.7.408: CONTAINERS, LABELS:

All sales and purchases of tangible personal property for use as ~~exempt~~ commercial packaging materials are exempt.

2.7.429: MEDICAL EXEMPTIONS:

All sales of the following are exempt:

A. ~~Drugs dispensed in accord with a prescription~~**Prescription drugs for humans.**

B. Prescription drugs for animals.

C. Medical supplies when sold in accord with a written recommendation of a licensed physician or when furnished as a part of the professional services provided to the patient. **Medical supplies shall mean insulin in all its forms dispensed pursuant to the direction of a licensed physician; glucose usable for treatment of insulin reactions; urine and blood testing kits and materials; insulin measuring and injecting devices, including hypodermic syringes and needles; prosthetic devices; wheelchairs and hospital beds.**

D. Prosthetic devices **for humans, prosthetic devices for animals**, orthopedic **device or** appliances, therapeutic devices, oxygen and related accessories, ~~whether for human or animal use or consumption~~ when sold in accord with a written recommendation of a licensed physician or veterinarian or when furnished as a part of the professional services provided to the patient.

2.7.442: TRADED IN OR EXCHANGED PROPERTY:

The fair market value of property traded in or exchanged at the time and place of the exchange is excluded from "~~gross-taxable sales~~" if the exchanged property is to be later resold in the usual course of the retailer's business.

2.7.449: SALES OR USE BY COMMERCIAL AIRLINE:

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

1. Purchases of aircraft for use in interstate commerce by a commercial airline; or
2. Purchases of ~~tangible personal property that is to be permanently affixed or attached as a component part of an aircraft~~ **parts** for use in interstate commerce by a commercial airline.

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

A. * * *

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.~~

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Section 3. This ordinance shall be in full force and effect from and after its final adoption and publication as provided by Charter.

Section 4. 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 ____ day of _____, 2019

Finally passed: _____

Council President

Mayor's Action:

- ☐ Approved on _____.
- ☐ Disapproved on _____, based on the following objections:

Mayor

Council Action After Disapproval:

- ☐ Council did not act to override the Mayor's veto.
- ☐ Finally adopted on a vote of _____, on _____.
- ☐ Council action on _____ failed to override the Mayor's veto.

Council President

ATTEST:

Sarah B. Johnson, City Clerk