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FOR IMMEDIATE RELEASE, APRIL 10, 2020

# NEWS RELEASE

## Durango Businesses Can Apply to Temporarily Defer Sales Tax Payments

**Durango, CO:** Interim City Manager Amber Blake signed into order the deferral of sales tax payments to help mitigate the impacts of the COVID-19 pandemic on businesses that qualify within city limits. The City is accepting applications for the deferral of payments due during the period when the Emergency Declaration is in effect.

“The intent of this order is to relieve some of the pressure our small businesses are experiencing due to the COVID-19 pandemic. The City is striving to find ways to assist our business community, we are hopeful that this action will help. If this order can save a small business in long run, it was effective,” Blake said.

To qualify for the temporary deferral of the payment of City sales and use taxes, a business must meet the following criteria:

- a. Have a current business license issued by the City.
- b. Is required to collect and remit sales and/or use taxes to the City under the provisions of the City Code.
- c. Is not otherwise delinquent as of April 10, 2020 in any payment of sales or use taxes to the City and is not delinquent in filing any sales or use tax return due to the City.
- d. Has a physical location or a substantial bona fide physical presence within the City during the entire period described for the deferral of sales and use taxes.
- e. Had total gross sales subject to tax within the City of less than two million dollars (\$2,000,000) during the twelve (12) month period ending on February 29, 2020.

Payment of sales or use taxes for sales after March 1, 2020 and during the period the Emergency Declaration is in effect, may be deferred until 90 days after the month in which the Emergency Declaration is terminated. All taxes will need to be paid in full at that time. No interest or penalties will be imposed on deferred amounts that are paid when due. A business cannot defer more than \$10,000 in sales or use taxes.

The sales tax deferral application and Order 2020-02 are available at [DurangoGov.org/SalesTax](http://DurangoGov.org/SalesTax). Submit completed forms to [Finance@DurangoGov.org](mailto:Finance@DurangoGov.org). For more information, please call (970) 375-5000

*The application and signed order are attached to the full news release.*

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## Application for Temporary Sales Tax Deferral

The City may reject any application that is incomplete, untimely or which fails to adequately demonstrate adherence to the criteria set forth in City of Durango Order No. 2020-24 The Interim City Manager or her designee shall notify each applicant of the determination of eligibility within seven (7) days of receipt of each completed application.

<b>Business Information</b>	
Name:	
Street Address:	
City, State, Zip:	
Phone:	
City of Durango Business License #:	
Request: <input type="checkbox"/> Temporary Sales Tax Deferral	

<b>Contact Person (all correspondence is directed to this person)</b>	
Name:	
Street Address:	
City, State, Zip:	
Phone:	
Email Address:	

I certify that my business is an eligible establishment pursuant to City of Durango Order No. 2020-24"  
 \_\_\_\_ I further acknowledge that I understand and agree:

- Tax deferrals are subject to the provisions of Order No. 2020-24
- My business must still file tax returns as they are due, even without a payment.
- All sales tax payments deferred shall be paid in full on or before 90 days after the termination of the Emergency Declaration.
- Any deferred sales tax must be repaid, even if my business faces financial hardship or closes.
- Applications and any other information received by the City of Durango under this deferral program are not confidential and are subject to disclosure.

\_\_\_\_\_  
Business Authorization  
 \_ Signature  
 \_\_\_\_\_  
 Printed Name  
 \_\_\_\_\_  
 Title  
 \_\_\_\_\_  
 Date: \_\_\_\_\_

City of Durango Authorization

Application approved,  rejected. City of Durango

\_\_\_\_\_

Date: \_\_\_\_\_

**ORDER NO. 2020- 02**

**AN ORDER OF THE INTERIM MANAGER OF THE CITY OF DURANGO PURSUANT TO THE EMERGENCY DECLARATION RELATED TO THE COVID-19 HEALTH CRISIS ADOPTING PROVISIONS TO DEFER THE PAYMENT OF SALES TAXES DUE TO THE CITY BY CERTAIN BUSINESSES LOCATED WITHIN THE CITY DURING THE PERIOD WHEN THE EMERGENCY DECLARATION IS IN EFFECT**

WHEREAS, the Interim City Manager of the City of Durango entered an Emergency Declaration under the provisions of Chapter 9 of the City Code related to the COVID-19 health crisis on March 16, 2020 (the Emergency Declaration); and

WHEREAS, the Durango City Council adopted Resolution No. 2020-07 on March 17, 2020 which ratified and extended the Emergency Declaration (the Resolution); and.

WHEREAS, San Juan Basin Public Health Department adopted a Public Health Advisory on March 24, 2020 strongly recommending that all persons within its jurisdiction stay at home (the SJBH Stay at Home Advisory), which has created significant impacts to the operation of businesses within the City; and.

WHEREAS, The provisions of the City Code provide a wide range of authority to the Interim City Manager to adopt orders designed to help mitigate the impacts of the COVID-19 virus within the City, including the authority to suspend any City process or to amend other function of the City in a manner that abates or mitigates the effects of the emergency; and

WHEREAS, the health crisis has and will continue to have a severe economic impact on local business that may threaten the continued existence of many those businesses with locations within the City. It is the intent of this Order to provide for a deferral of the payment of sales and use taxes by certain businesses in order to assist them in staying in business, which will support and hasten the local and state economic recovery following the termination of the Emergency Declaration.

**ORDER:**

Based on the foregoing, and pursuant to the authority described in Chapter 9 of the City Code and as affirmed in the Resolution, it is ORDERED as follows:

1. The provisions of this Order for temporary deferral of the payment of City sales and use taxes shall apply to those businesses that meet all of the following criteria (the Qualifying Business):
  - a. Has a current business license issued by the City.
  - b. Is required to collect and remit sales and/or use taxes to the City under the provisions of the City Code.
  - c. Is not otherwise delinquent as of the date of this Order in any payment of sales or use taxes to the City and is not delinquent in filing any sales or use tax return due to the City.
  - d. Has a physical location or a substantial bona fide physical presence within the City during the entire period described for the deferral of sales and use taxes.
  - e. Had total gross sales subject to tax within the City of less than two million dollars (\$2,000,000) during the twelve (12) month period ending on February 29, 2020.
2. A Qualifying Business may make an application with the City Finance Department on forms approved by the City for approval to defer payment of sales and use taxes under the provisions of this Order. The business shall submit sufficient information to allow a determination as to whether the business meets the above referenced criteria for a Qualified Business. Notice of approval or non-approval of the requested deferral shall be provided to the applicant by the City Finance Department.
3. The payment of sales or use taxes that become due to the City for sales made by a Qualifying Business after March 1, 2020 and during the period in which the Emergency Declaration is in effect may be deferred until ninety days after the termination of the Emergency Declaration, at which time all such taxes shall be due and payable in full unless otherwise agreed in writing by the City. The deferral shall be in effect until the end of the month in which the Emergency Declaration is terminated. There shall be no interest or penalties imposed on the deferred amounts provided they are paid when due as required herein. If such amounts are not paid when due, then the interest and penalties provided for the City Code for tax payments shall apply.
4. In no case shall any Qualifying Business defer more than a total of ten thousand dollars (\$10,000) in sales or use taxes under the provisions of this Order.
5. Nothing contained herein shall defer the requirement to file sales and use tax returns as otherwise required by the City Code. This Order provides for a temporary deferral of payment of taxes and shall not be interpreted to provide for a refund or other waiver of taxes otherwise due to the City.

6. Except as specifically amended herein, all other provisions of the City Code related to the imposition or collection of sales and use taxes shall remain in full force and effect.
7. The Finance Director shall make any initial determination on a dispute regarding the approval of Qualifying Businesses and the application of the provisions of this Order. Any contested decision of the Finance Director shall be referred to the City Manager for review, and the decision of the City Manager on any matter related to this Order shall be deemed to be final.

This Order shall remain in effect until further written action of the Interim City Manager.

Date: 4-10 2020

  
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Interim City Manager, City of Durango, Colorado