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FOR MORE INFORMATION

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City and County Announce Sales Tax Relief Program to Help Local Restaurants

COLORADO SPRINGS, Colo. -- The City of Colorado Springs and El Paso County are excited to announce a joint Sales Tax Relief plan for restaurants that have experienced sales declines due to the COVID-19 pandemic. The program is limited to the General Fund portion of taxes for each organization (2% for the City and 1% for the County).

The program was proposed to City Council on Tuesday and is expected to gain approval in January. The County's version of the program could receive approval as early as this month.

"We know our restaurants have experienced some of the most dramatic impacts of the COVID-19 crisis and we felt it important to provide some support," said Mayor John Suthers. "We know that a \$1,400 per month sales tax rebate isn't the complete solution, but we do hope that it helps sustain these important local businesses as we move toward a vaccine and a return to normalcy."

"Most of our local restaurant owners have worked hard to protect their customers, employees, and also to feed their families," said El Paso Board of County Commissioner's Chair Mark Waller. "It's frustrating the state is limiting their ability to operate, and we all must do everything we can to help. We're happy to work with the City of Colorado Springs, and any other municipality, to offer tax relief to these businesses."

Pending approval, applicants will only apply once for both the City and the County's tax relief program. While the City and the County are partnering on this program, each organization's plan will have some similarities and differences.

Both programs will have the same threshold to participate. To qualify for the program, Relief/Assistance Program restaurants must have incurred a greater than 5% loss

from third quarter 2019 to third quarter 2020. The maximum rebate is \$1,400 per month (or sales tax on up to \$70,000 in sales).

However, the programs will cover different months of revenue. The City's program offers refunds based on the taxes remitted on sales from November 2020, December 2020, January 2021 and February 2021. The County's program offers refunds from July 2020 through February 2021.

The City and the County will release additional information in the near future.