ITEM A

From: Ben Cowan
Sent: Friday, February 20, 2015 1:03 PM
To: Ken Coleman; Ryan Johnson; Danny Lefebvre
Cc: <info@gunnisonchamber.com>
Subject: RE: next chamber finance commitee meeting

Good Afternoon,

As we discussed this morning, here are some bits of data that may be helpful in formulating your strategies for obtaining a more significant funding stream for the Chamber.

1) Vendor fees deducted from 2014 sales tax returns at 5% totaled $272,584.18. Therefore, each 1% reduction of the vendor fee would generate $54,516, based on 2014 taxable sales.

2) Vendor fees deducted by businesses reporting a mailing address outside 81230 totaled $158,080.72. An argument might be made that 58% of the vendor fees deducted are for businesses outside the city limits and therefore, reducing the vendor fee so that the funds may be used for Chamber needs is a way of importing outside funds to inject into the local economy.

3) Vendor fees (or Service Fees) for the City of Gunnison are 50% higher than the next highest vendor fees in the State of Colorado. See form DR 1002 for statewide rates for both state-administered and home-rule municipalities.

4) Vendor fees were deducted from 4192 sales tax returns in 2014.

5) 869 Sales Tax Licenses were obtained during 2014. 27 of these were obtained between July and December when the fee is only $5.50. All others were paid at $10.50 each.

6) For example, a business making $10,000 monthly in net taxable sales will pay $400 for City sales tax. The current vendor fee is $20. If a 1% vendor fee reduction was enacted, and subsequently passed through to the Chamber, it would cost that business $4 per month.

Have a great weekend and please let me know if you have any questions or require additional information.

Ben

Ben Cowan
City of Gunnison