

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 17-0217.01 Esther van Mourik x4215

HOUSE BILL 17-1216

HOUSE SPONSORSHIP

Kraft-Tharp and Sias,

SENATE SPONSORSHIP

Neville T. and Jahn,

House Committees

Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE SALES AND USE TAX**
102 **SIMPLIFICATION TASK FORCE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill creates the sales and use tax simplification task force (task force) made up of legislative members and state and local sales and use tax experts. The bill requires the task force to study sales and use tax simplification between the state and local governments, and in particular between the state and home rule jurisdictions. The task force is:

! Authorized to seek, accept, and expend gifts, grants, or

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

1 NECESSARY DURING ANY LEGISLATIVE SESSION OR ANY INTERIM BETWEEN
2 LEGISLATIVE SESSIONS TO STUDY THE NECESSARY COMPONENTS OF A
3 SIMPLIFIED SALES AND USE TAX SYSTEM FOR BOTH THE STATE AND LOCAL
4 GOVERNMENTS, INCLUDING HOME RULE MUNICIPALITIES AND COUNTIES.

5 (b) THE TASK FORCE SHALL STUDY SALES AND USE TAX
6 SIMPLIFICATION BETWEEN THE STATE AND LOCAL GOVERNMENTS,
7 INCLUDING HOME RULE MUNICIPALITIES, TO IDENTIFY OPPORTUNITIES AND
8 CHALLENGES WITHIN EXISTING FISCAL FRAMEWORKS TO ADOPT
9 INNOVATIVE REVENUE-NEUTRAL SOLUTIONS. THE TASK FORCE SHALL
10 CONSIDER THE FEASIBILITY OF:

11 (I) HAVING A THIRD-PARTY ENTITY RESPONSIBLE FOR STATE OR
12 LOCAL SALES AND USE TAX ADMINISTRATION, RETURN PROCESSING, AND
13 AUDITS;

14 (II) MAKING AUDITS OF RETAILERS MORE UNIFORM FOR ALL STATE
15 AND LOCAL TAXING JURISDICTIONS IN THE STATE;

16 (III) UTILIZATION OF CERTIFIED SOFTWARE FOR SALES AND USE
17 TAX ADMINISTRATION AND COLLECTION OF STATE AND LOCAL SALES AND
18 USE TAX; AND

19 (IV) UTILIZATION OF A SINGLE SALES AND USE TAX RETURN FOR
20 STATE AND LOCAL TAXING JURISDICTIONS.

21 (2) THE TASK FORCE CONSISTS OF:

22 (a) TWO MEMBERS FROM THE HOUSE OF REPRESENTATIVES, ONE
23 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND ONE
24 APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF
25 REPRESENTATIVES;

26 (b) TWO MEMBERS FROM THE SENATE, ONE APPOINTED BY THE
27 PRESIDENT OF THE SENATE AND ONE APPOINTED BY THE MINORITY LEADER

1 OF THE SENATE;

2 (c) A REPRESENTATIVE OF THE DEPARTMENT OF REVENUE WHO IS
3 WELL VERSED IN SALES AND USE TAX COLLECTION AND DISTRIBUTION
4 ISSUES AND WHO IS KNOWLEDGEABLE OF THE POLICY STATEMENTS AND
5 RESOLUTIONS REGARDING SALES AND USE TAX COLLECTION AND
6 UNIFORMITY OF THE MULTISTATE TAX COMMISSION, OF WHICH COLORADO
7 IS A MEMBER;

8 (d) A REPRESENTATIVE OF THE COLORADO MUNICIPAL LEAGUE;

9 (e) A REPRESENTATIVE OF COLORADO COUNTIES, INCORPORATED;

10 (f) A MEMBER OF A STATEWIDE ASSOCIATION OF SMALL
11 BUSINESSES THAT IS ADDRESSING THE SIMPLIFICATION OF SALES AND USE
12 TAX COLLECTION;

13 (g) A MEMBER OF THE STATEWIDE CHAMBER OF COMMERCE,
14 APPOINTED BY THE GOVERNOR;

15 (h) A STATE AND LOCAL SALES TAX LAW PRACTITIONER WHO IS
16 NOT EMPLOYED BY A HOME RULE OR STATUTORY CITY OR CITY AND
17 COUNTY, APPOINTED BY THE GOVERNOR;

18 (i) THE EXECUTIVE DIRECTOR OF THE STREAMLINED SALES TAX
19 GOVERNING BOARD, INC., OR HIS OR HER DESIGNEE; AND

20 (j) ONE MANAGER, MAYOR, COUNCIL-PERSON, FINANCE OFFICER,
21 OR TAX ADMINISTRATOR OF A HOME RULE OR STATUTORY CITY OR CITY
22 AND COUNTY, APPOINTED BY THE COLORADO MUNICIPAL LEAGUE FROM
23 EACH OF ITS FOUR POPULATION MEMBERSHIP CATEGORIES, ACCORDING TO
24 ITS BYLAWS.

25 (3) THE TASK FORCE SHALL MEET AT LEAST EIGHT TIMES, WITH THE
26 FIRST MEETING OCCURRING NO LATER THAN JULY 12, 2017. TASK FORCE
27 MEETINGS SHALL BE OPEN TO THE PUBLIC AND THE TASK FORCE SHALL

1 SOLICIT THE TESTIMONY OF THE MEMBERS OF THE PUBLIC.

2 (4) (a) THE MEMBERS OF THE TASK FORCE APPOINTED PURSUANT
3 TO SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION ARE ENTITLED TO
4 RECEIVE COMPENSATION AND REIMBURSEMENT OF EXPENSES AS PROVIDED
5 IN SECTION 2-2-326.

6 (b) THE LEGISLATIVE COUNCIL STAFF AND THE OFFICE OF
7 LEGISLATIVE LEGAL SERVICES SHALL BE AVAILABLE TO ASSIST THE TASK
8 FORCE IN CARRYING OUT ITS DUTIES.

9 (5) NO LATER THAN NOVEMBER 1, 2017, AND NO LATER THAN
10 EACH NOVEMBER 1 THEREAFTER, THE TASK FORCE SHALL MAKE A REPORT
11 TO THE LEGISLATIVE COUNCIL CREATED IN SECTION 2-3-301 THAT MAY OR
12 MAY NOT INCLUDE RECOMMENDATIONS FOR LEGISLATION.

13 **39-26-803. Gifts, grants, or donations.** THE TASK FORCE MAY
14 SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE
15 OR PUBLIC SOURCES FOR THE PURPOSES OF THIS PART 8.

16 **39-26-804. Sunset of task force.** THIS PART 8 IS REPEALED,
17 EFFECTIVE JULY 1, 2020. BEFORE ITS REPEAL, THIS PART 8 IS SCHEDULED
18 FOR REVIEW IN ACCORDANCE WITH SECTION 2-3-1201.

19 **SECTION 2.** In Colorado Revised Statutes, 2-3-1203, **add**
20 (10)(a)(III) as follows:

21 **2-3-1203. Sunset review of advisory committees - legislative**
22 **declaration - definition - repeal.** (10) (a) The following statutory
23 authorizations for the designated advisory committees will repeal on July
24 1, 2020:

25 (III) THE SALES AND USE TAX SIMPLIFICATION TASK FORCE
26 CREATED IN SECTION 39-26-802.

27 **SECTION 3. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.