



Legislative Council Staff

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Fiscal Note

Drafting Number:	LLS 22-0153	Date:	January 12, 2022
Prime Sponsors:	Rep. Kipp; Van Winkle Sen. Bridges; Woodward	Bill Status:	House Business
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Bill Topic: SALES & USE TAX EXEMPTION FORM SIMPLIFICATION

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires the Department of Revenue to review and simplify forms and requirements related to sales and use tax exemptions. The bill increases state workload in FY 2022-23 only.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill. This bill was recommended by the Sales and Use Tax Simplification Task Force.

Summary of Legislation

The bill requires the Department of Revenue (DOR) to examine its sales and use tax exemption forms and requirements, and simplify the forms to the extent feasible. The simplified forms and requirements must be in place beginning July 1, 2023. The bill also clarifies existing statutory form requirements to allow the simplified forms to be used for certain exemptions.

State Expenditures

The bill increases workload in the Department of Revenue in FY 2022-23 only to review forms for potential simplification and make form modifications. This fiscal note assumes that simplifying forms will not include converting paper forms to online forms, therefore, the workload increase can be accomplished within current appropriations. Should conversion to online forms be required, the department will incur costs of approximately \$100,000 per form, based on a recent form conversion and standard GenTax programming and testing rates.

In FY 2022-23 only, workload will also increase for the Department of Personnel and Administration, which processes tax forms and will make form changes identified by DOR. No change in appropriations is required.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Personnel

Revenue