

CML Survey on Business and Sales Tax Licenses and Fees

September 2021



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CML Business and Sales Tax Licenses and Fees Survey

The Colorado Municipal League and Colorado Legislative Counsel Staff are respectfully asking for a few moments of your time to share how your municipality deals with business and sales tax licenses. Responses are requested by Friday, September 3.

Conducted Aug. 23-Sept. 3, 2021

Home rule responses: 59

Statutory responses: 43

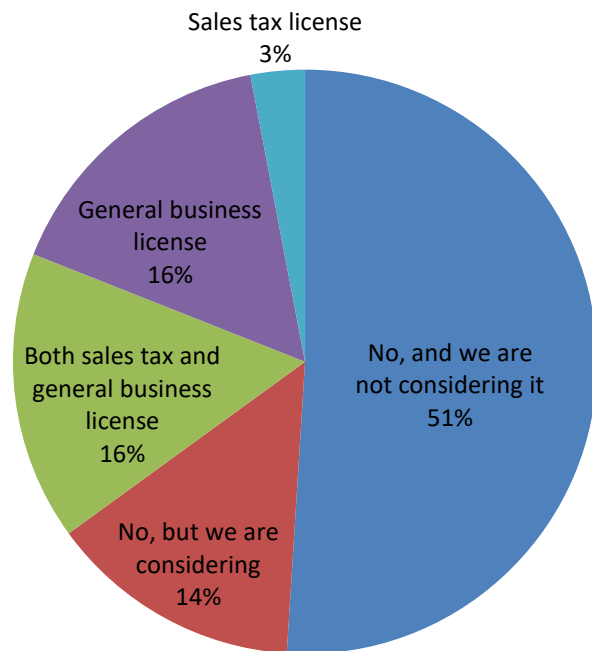
Response rate: 38%



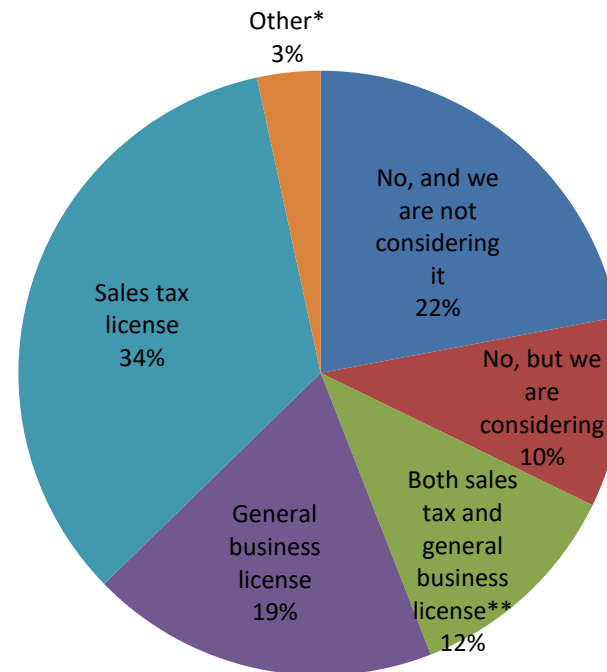
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Does your municipality require retailers with no physical presence to have a business or sales tax license in addition to the state sales tax license?

Statutory responses (n=43)



Home rule responses (n=58)



*Other answers include:
Depends on method of filing;
depends on business type

**Many have one combination license.



The amount of an initial business or sales tax license fee for a retailer, including all fees related to a new license.

Statutory responses (n=17)

- Range for non-tiered fees: \$0-\$75
- Median for non-tiered fees: \$30
- Mean for non-tiered fees: \$35
- 12% have tiered fees

Home rule responses (n=40)

- 30% have no fee
- Range for non-tiered fees: \$0-\$150
- Median for non-tiered fees: \$20
- Mean for non-tiered fees: \$26
- 5% have tiered fees



Does the municipality require sales tax and/or business licenses to be renewed?

Statutory responses (n=17)

- 100% require annual renewal
- 94% - renewal fee same as initial fee
- 6% - renewal fee is half the cost as initial fee
- 47% allow renewal online

Home rule responses (n=40)

- 72% require renewal
- Of those:
 - 79% require annual renewal
 - 21% require every two years
 - 75% charge same as initial fee
 - Remainder charge \$0 or reduced fee

-
- 78% allow renewal online

How many business or sales and use tax licenses were issued by the municipality in the last fiscal year?

Statutory responses (n=17)

- Range: 0-600
- Median: 115
- Mean: 155
- Percentage remote sellers:
 - Range: 0-74%
 - Average: 33%

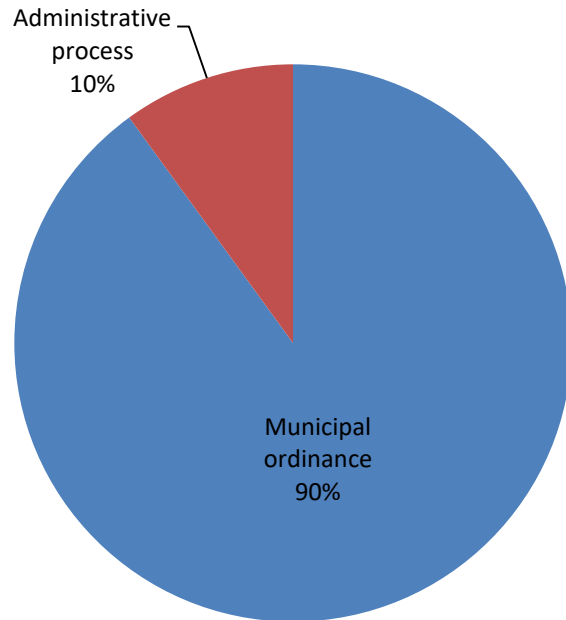
Home rule responses (n=37)

- Range: 28-6000
- Median: 738
- Mean: 1118
- Percentage remote sellers:
 - Range: 0-97%
 - Average: 63%

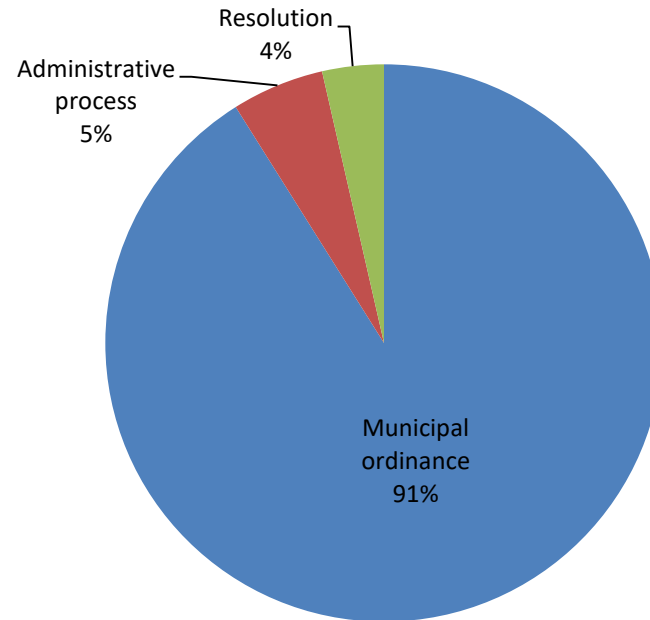


Licensing requirements and any associated fees mandated by:

Statutory responses (n=40)



Home rule responses (n=56)



When asked what information they would like to receive as part of a return and remittance from the State Sales and Use Tax System, large numbers of respondents stated:

- Business name and address, including location address if multiple locations within jurisdiction
- Contact name, email, phone number
- Federal Employer Identification Number (FEIN)
- Colorado account number
- Industry or NAICS code
- Jurisdiction account number/local license number
- Filing frequency



Additional comments:

- Local registration is necessary because the SUTS registration does not conduct validation of user input nor does it collect much information.
- We would appreciate training on the customers' experience so that we can better help them when issues occur.
- It would be helpful if the system required an acknowledgment for the signer/applicant to agree to follow the municipal code.

