



SJR 23-004 Update
USE TAX COORDINATION

Sales and Use Tax Simplification Task Force
July 24, 2024



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The background image shows a scenic view of a town street in Colorado, with historic buildings and mountains in the distance. The title "Colorado Municipal League" is overlaid in large red font.

Colorado Municipal League

- **Nonprofit, nonpartisan organization established in 1923**
- **Membership: 271 of the 273 municipalities in Colorado**
- **Mission: Advocacy, information, and training to support exceptional municipal governance**



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Activities - Municipal Taxes

- **CML Sales Tax Simplification Committee**

- **Standard definitions, model ordinances, education, and information sharing**

- **Publications**

- **resource handbooks, newsletters, emails, etc.**

- **Advocate for sound tax policies that support our policy statement**



A photograph of two construction workers wearing green hard hats and safety glasses, working on a roof. They are holding a large metal beam. The background is a clear blue sky with some clouds.

Use Tax – Construction Materials

- **Assessed by counties and municipalities on construction materials used in their jurisdiction**
- **Collected by the local government**
- **No state collection**





SJR 23-004

Encourages municipalities and counties to:

- **create a uniform administration of sales and use tax on construction materials**
- **standardize building permits to easily determine the jurisdiction, permit number, job address, and proof of sales or use tax payment**





Response

- **Held meetings last summer**
- **Created large working group with municipal and county representatives**
- **Collected data**




Response (cont.)

- **Met with industry**
 - **Building permits: standard permits**
 - **Standard definitions and interpretations**
 - **Industry educational materials**
- **Reviewed information to discuss projects - best practices and sample permit**
- **Created small working group to implement concepts**



Outcome - Sample Permit

Permits should include jurisdiction, permit number, job address, and proof of sales or use tax payment

 **BUILDING PERMIT**
City of Aurora Colorado

Permit#: 2023-20232023 LT
Date: AUGUST 24, 2023

Colorado's only IAS Accredited Building Department

Address of Job: 15151 E ALAMEDA PKWY
Contractor: CONSTRUCTION COMPANY
Work: BUILDINGONLINE | TENANT IMPROVEMENT

Conditions:

Inspections: Structural Exit Signs / Emerg Lights

This permit has been issued for compliance using the 2015-I-Codes/Aurora Muni Code. Other inspections may be required. Additional inspections for Zoning, Grading and Engineering may be required before a Certificate of Occupancy can be issued. All exterior work must be completed within one year.

| | |
|--|--------------------------------|
| Fee Determination Assessment: \$X,XXX.XX | Construction Type: IRC TYPE VB |
| Taxable Amount: \$X,XXX.XX | Occupancy Group: IBC A-3 |
| | C of O Required: No |

| | |
|---------------------------------------|-----------------|
| FEES PAID: | |
| Permit Fee | \$XXX.XX |
| Plan Fee | \$XXX.XX |
| City of Aurora Use Tax 3.75% | \$XXX.XX |
| Arap. County Open Space Use Tax 0.25% | \$XXX.XX |
| TOTAL: | \$XXX.XX |

Notes to Applicant:

1. Printed approved city plans are required to be on-site for the inspector at time of inspection.
2. For general information call (303) 739-7420 between the hours of 7:30am to 4:30pm. Online inspection requests are available 24 hours a day. The PERMITEE accepts FULL responsibility for all work done under this permit. All work must be done in accordance with all applicable building codes.
3. Permit is not valid until all fees have been paid in full.
4. Building Permits expire automatically after 180 days unless inspections are requested, or if the time between inspections exceeds 180 days. Requests to extend a permit must be made to the Chief Building Official in writing.

Notice of Local Sales Tax Exemption: To any Supplier/Vendor: Please note that this permit shall be prima facie evidence that the appropriate local sales or use taxes have been or are required to be paid directly to the jurisdiction where the goods are used. Construction materials purchased for use by the permittee or their subcontractor at the stated address for the project are exempt from local sales taxes whether the goods are picked up or delivered. This exemption is not valid for materials used in non-constructed units of tangible personal property such as appliances and equipment, sold to a contractor that are to be resold in performance of their contracted projects must be exempted as a wholesale transaction, where the purchaser must supply an appropriate business license/resale certificate. Please retain a copy of this permit for your records.



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Outcome – Compliance Guide

Provides information on exemptions, tax treatment of property that does not qualify as construction materials, reconciliation procedures, and jurisdiction-specific information



Outcomes – Centralized Information

HB24-1050 requires municipalities to file with DOR

- a copy of the resolution or ordinance imposing use taxes
- the tax rate and formula for calculation
- information included on permits
- the timing for remittance of the tax
- applicable exemptions
- whether the tax is imposed on construction equipment, storage of equipment, or services

DOR publish information by July 2025



Next Steps

- **Collect feedback on guidance document**
 - the CML SUTS committee
 - statutory municipalities
 - industry members
- **Finalize guidance document and sample permit**
- **Push compliance document and sample permit to municipalities**



Questions



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