



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Memorandum

Room 029 State Capitol, Denver, CO 80203-1784

Phone: (303) 866-3521 • Fax: (303) 866-3855

lcs.ga@state.co.us • leg.colorado.gov/lcs

July 2, 2018

TO: Members of the Sales and Use Tax Simplification Task Force

FROM: Kori Donaldson, Principal Research Analyst, 303-866-4976

SUBJECT: Charge and Membership of the Sales and Use Tax Simplification Task Force (Updated)

Summary

This memorandum provides an overview of the Sales and Use Tax Simplification Task Force, including the charge of the task force, task force membership, information about task force activities during the 2017 interim, bill request information, and information about the committee staff and website.

Origin and Charge of the Task Force

The Sales and Use Tax Simplification Task Force was created in House Bill 17-1216 and is charged with studying the following policy issues:

- the necessary components of a simplified sales and use tax system for both state and local governments, including home rule municipalities and counties;
- opportunities and challenges within existing fiscal frameworks to adopt innovative revenue-neutral solutions that do not require constitutional amendments or voter approval;
- the feasibility of having a third-party entity responsible for state or local sales and use tax administration, return processing, and audits;
- the feasibility of making audits of retailers more uniform for all state and local taxing jurisdictions in the state;
- the feasibility of utilizing certified software for sales and use tax administration and collection of state and local sales and use tax; and
- the feasibility of utilizing a single sales and use tax return for state and local taxing jurisdictions.

Contents

| | |
|-------------------|--------|
| Summary | Page 1 |
| Origin and Charge | Page 1 |
| Membership | Page 2 |
| 2017 Activities | Page 2 |
| 2018 Meetings | Page 3 |
| Annual Report | Page 3 |
| Recommendations | Page 3 |
| Staff | Page 4 |

Task Force Membership

In total, there are fifteen members on the Sales and Use Tax Simplification Task Force.

Table 1
Task Force Membership

| | |
|----------------------------------|---|
| Representative Tracy Kraft-Tharp | Chair |
| Senator Tim Neville | Vice-Chair |
| Representative Lang Sias | Legislative Member |
| Senator Angela Williams | Legislative Member |
| Bryan Archer | Director of Finance, City of Arvada |
| Paul Archer | Owner, Automated Business Products of Colorado |
| Kristin Baumgartner | Assistant City Manager and Finance Director, City of Lone Tree |
| Dianne Criswell | Legislative and Policy Advocate, Colorado Municipal League |
| Steve Ellington | Treasurer, City and County of Denver |
| Tracy Hines | Sales Tax Administrator, Larimer County |
| Bruce Nelson | Director of State and Local Tax, EKS&H |
| Heather Pezzella | Revenue Services Administrator, Town of Breckenridge |
| Neil Pomerantz | Partner, Silverstein & Pomerantz |
| Brendon Reese | Deputy Directory of Taxation Policy and Legal Analysis, Department of Revenue |
| Judith Vorndran | Partner, TaxOps |

2017 Task Force Activities

The task force held four meetings during the 2017 interim. Briefings and presentations were made by the Office of Legislative Legal Services staff, the Colorado Department of Revenue, the Colorado Municipal League, Colorado Counties, Inc., members of the business community, the Special District Association, the Colorado Tax Auditors Coalition, the Office of the State Auditor, the Council on State Taxation, the Tax Foundation, Streamlined Sales Tax Governing Board, Inc., the Statewide Internet Portal Authority, various software providers, and members of the public on a wide range of subjects, including:

- the current Colorado sales and use tax system;
- other states' efforts to simplify their sales and use tax system;
- pending federal legislation impacting sales and use tax simplification;
- work being done by various software providers; and
- updates on the Colorado Municipal League's standardized definitions project.

Task Force Meetings

According to House Bill 17-1216, the task force may meet as necessary during any legislative session or any interim, and must meet at least eight times before the scheduled repeal of the task force on July 1, 2020. The task force met four times during the 2017 legislative interim. The committee is scheduled to meet four times during the 2018 legislative interim, as follows:

July 12 at 10:00 a.m. in HCR 0107
July 26 at 10:00 a.m. in SCR 357
August 16 at 10:00 a.m. in SCR 357
September 27 at 10:00 a.m. in SCR 357

Annual Report

The task force must submit a report to Legislative Council by November 1, 2017, and each November 1 thereafter. This report may or may not include recommendations for legislation.

Task Force Recommendations to Legislative Council

Bill limits. The task force may recommend up to five bills to the Legislative Council. Bills approved by the Legislative Council do not count against a member's five-bill limit for the regular legislative session (Joint Rule 24 (b)(1)(D)).

Requirements for bill drafts. Task force members must request bills during a single committee meeting set for requesting legislation. According to Joint Rule 24A (d)(2.7)(B), only legislative members of the task force may request bill drafts, and bill drafts must be approved by a majority of the legislative members on the task force. The meeting at which the task force may make its requests for draft legislation must be held no later than August 22, 2018.

There must be at least 42 days in between the meeting at which bill drafts are requested and the meeting at which bill drafts are approved. There must be at least 21 days between the date the bill drafts are finalized with the Office of Legislative Legal Services (OLLS) and the date of the meeting to consider bill drafts to allow time for Legislative Council Staff to prepare the fiscal analyses of the bill drafts. The last day to finalize task force bill drafts with OLLS is September 6, 2018. The meeting at which the task force votes to approve bill drafts must be held no later than October 3, 2018.

Legislative Council review. The Legislative Council will meet on October 15, 2018, to approve draft legislation. Bills not approved by Legislative Council may be introduced during the regular session, but such bills will count against a member's five-bill limit. Interim committee bill drafts must have prime sponsors prior to approval by the Legislative Council.

Committee Staff and Website

Staff contacts. Legislative Council Staff is charged with assisting the task force in its activities. If you have any questions or would like any additional information concerning the task force, please send an e-mail to TaxTaskForce.ga@state.co.us. You may also contact any of the following individual task force staff members:

- Kori Donaldson, Principal Research Analyst, kori.donaldson@state.co.us, 303-866-4976
- Larson Silbaugh, Principal Economist, larsen.silbaugh@state.co.us, 303-866-4720
- Meredith Moon, Economist, meredith.moon@state.co.us, 303-866-2633

Fiscal note staff. Legislative Council Staff provides fiscal notes for committee legislation and other analyses requested by the committee. To discuss the fiscal impact of legislation or to request a fiscal analysis, please contact:

- Meredith Moon, Economist, meredith.moon@state.co.us, 303-866-2633

Legal services staff. Additionally, attorneys at the Office of Legislative Legal Services provide legal and bill drafting assistance to the committee. For assistance in these areas, please contact:

- Esther van Mourik, Senior Attorney, esther.vanmourik@state.co.us, 303-866-4215
- Ashley Athey, Senior Legislative Editor, ashley.athey@state.co.us, 303-866-2291

Website. Documents distributed during the meetings and meeting summaries may be found on the task force website at: <http://leg.colorado.gov/committees/sales-and-use-tax-simplification-task-force/2018-regular-session>

Twitter. Task force updates, along with updates for other interim committees, will also be posted on Twitter - @COInterimComm / twitter.com/COInterimComm