

# Simplify Colorado Sales & Use Tax Coalition Update



# Simplify CO Sales & Use Tax Coalition

## **Mission:**

Reform Colorado's excessively complex sales & use tax system with multiple goals:

- Fairness, simplicity and predictability for businesses
- Revenue neutrality to avoid any adverse impact on local and state public services
- And a competitive economic environment in Colorado that will attract employers



# Background / Who we are

**Formed in 2015**

**Currently represent over 10,000 businesses**

- Alpha Graphics
- American Furniture Warehouse
- Associated General Contractors
- Associated Landscape Contractors of Colorado
- Automated Business Products
- CO Association of Mechanical & Plumbing Contractors (CAMPC)
- CO Association of Viticulture & Enology (CAVA)
- CO Association of Automobile Dealers (CADA)
- CO Petroleum Marketers Association
- CO Society of CPAs
- Food Services of America-Loveland
- Inovonics
- LafargeHolcim
- National Federation of Independent Businesses (NFIB)
- Rocky Mountain Promotional Products Association
- SMACNA CO
- Summit Ford
- Tax Ops



# Challenges with Current System:

- **Colorado is ranked 39<sup>th</sup>** on the sales tax component in the Tax Foundation's 2017 State Business Tax Climate Index
- Colorado has a patchwork of created by 294 taxing jurisdictions with overlapping boundaries. **over 750 specific geographic areas with different sales tax rates and bases**
- Colorado is the **only non-participating state in the Streamlined Sales Tax**, a nationwide effort to address the complexity in state sales tax systems.  
[Streamlinedsalestax.org](http://Streamlinedsalestax.org)
- Database providers certified by the Department to provide businesses with tax jurisdictions look up services based on addresses may not be fulfilling the GA's intent as they are not always accurately determining correct sales tax liabilities.



# Simplify Objectives

- Multiple sales tax licenses & separate remittance – goal – Establish a single sales/use license. Remit sale/use tax to single entity with timely delivery of revenue to local taxing jurisdictions
- Continue to encourage adoption of uniform definitions
- Lack of central database of a sales/use tax information on which businesses can rely without penalty – goal – authorize a single, searchable by address across all taxing areas and hold businesses harmless if they rely on it (for rates included in the database as well as the identification of relevant jurisdictions) for all industries and for all jurisdictions (Possible to achieve under SB19-006 solicitation)



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## Successfully supported & passed legislation:

- SB16-036 – reform state’s tax audit assessment appeal process
- HB17-1216 - creation of the Sales & Use Tax Simplification Task Force
- HB18-1022 - request for information (RFI) for an electronic sales & use tax system within the Department of Revenue (DOR)
- SB19-006 – solicitation for an electronic sales & use tax system
- HB19-1240 – Sales tax administration





SIMPLIFY

*colorado*

SALES TAX