

JOINT TECHNOLOGY COMMITTEE

Colorado Department of Revenue

Sales and Use Tax Simplification Update – December 2, 2020



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PRESENTING

- Heidi Humphreys - Interim Executive Director and Deputy Director
- Brendon Reese - Senior Director of Taxation Division
- Scott McKimmy - Director of Business Innovation Group (BIG)



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ROLL OUT OF SUTS

- To achieve the goals of SUTS and legislation, DOR has chosen a phased roll out of the SUTS system to maximize adoption and success of the software.
- DOR has completed the technical programming of the infrastructure and is working to test and verify the data in the system.
- The next step in testing and verifying the system is to run sufficient volume through the system.
- To accomplish this goal, DOR has communicated to retailers already required to use destination sourcing (retail sales in excess of \$100,000), inviting them to file through the SUTS system.
- These retailers are familiar with destination sourcing and will help DOR and the vendors test and verify the system during the first quarter of 2021.



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ROLL OUT OF SUTS (cont.)

- Based on expected completion of testing and verification of the system, DOR will make official announcement the system is online and available on April 1, 2021.
- The April 1, 2021 certification will trigger the 90 day timeline for all retailers to become compliant with destination sourcing as of July 1, 2021.



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COMMUNICATIONS OUTREACH

- Communications efforts to begin actively enrolling businesses above \$100,000 in retail sales began on November 12, 2020.
- A programming freeze leading up to the November 3, 2020 election prevented website updates prior to November 11, 2020.
- The Colorado tax website migrated to a new content management system effective November 11, 2020.
- Additional communications efforts to targeted stakeholder groups are pending and will be happening over the next several weeks.
- For more information about SUTS, visit <https://tax.colorado.gov/SUTS-info>



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Sales and Use Tax System Adoption

- 41 of the 71 Home Rule Municipalities.
- An additional 9 Home Rules are in process of finalizing agreements
- 843 Businesses are using SUTS
- 78 of the 843 businesses are new revenue accounts
- 15 Home Rules have received tax returns from SUTS



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SUTS: DOR - OIT Partnership

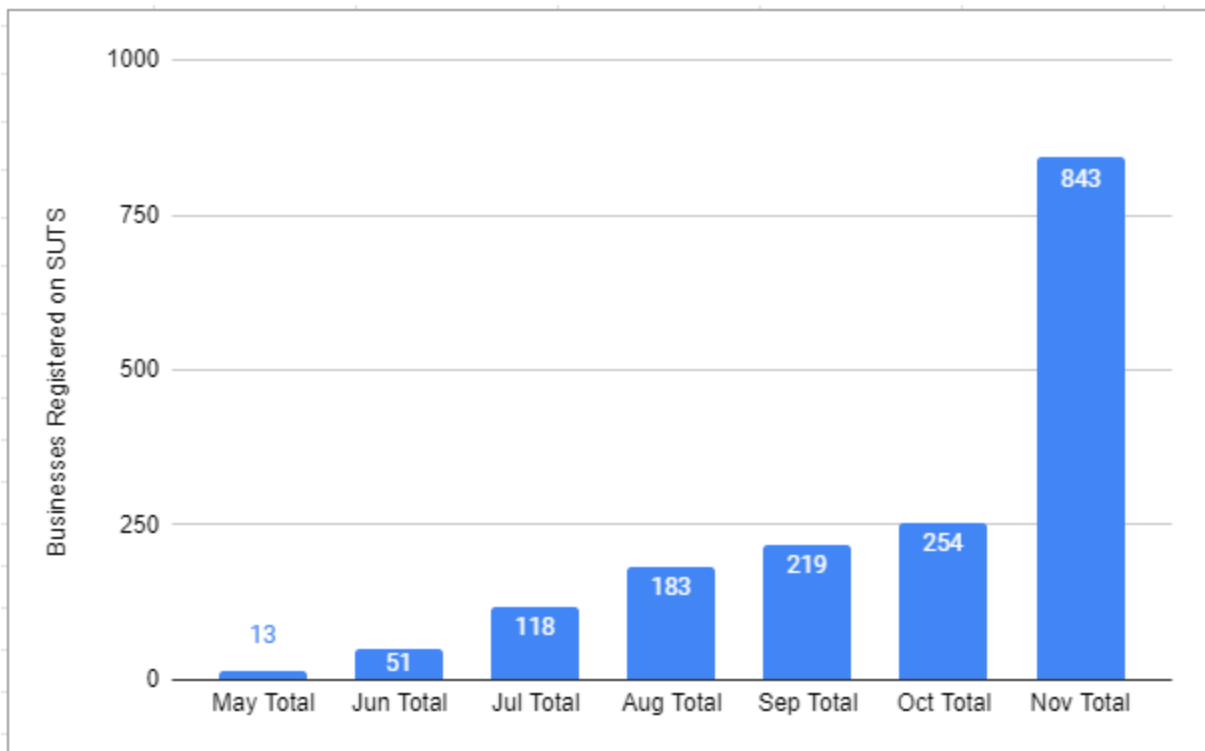
- DOR and OIT Co-led procurement
- OIT Led all Security and Infrastructure Initiatives
- DOR Led Product Development
- DOR Vendors Produced Customized Software Solutions
 - MuniRevs: Remittance Portal
 - TTR: GIS
 - FAST: ROL Upgrade



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Businesses Registered on SUTS

There are 843 Businesses
Registered on SUTS today!

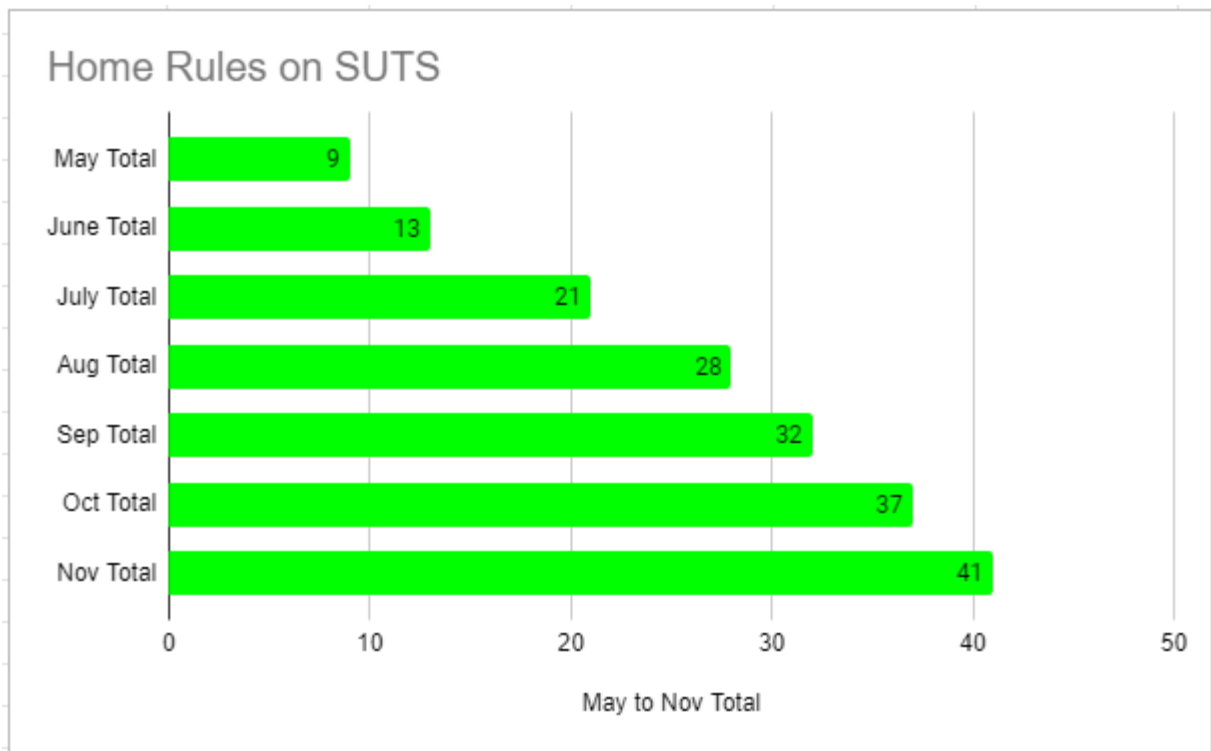


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Home Rules on SUTS

There are 41 Home Rules

On SUTS today.



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SUTS Challenges

COVID - Budget cuts with Home Rules therefore delaying the process in getting approval and making changes to a new system.

System integration with SUTS - Home Rules continue to be concerned with compatibility with their current system and local integration cost.

SUTS Approval - Majority of home rules require approval from different decision makers (City Manager, Finance Director, Council Approval - 1st and 2nd Readings, Town Mayor). Much longer process than anticipated.

Loss of Staff - Some home rules have lost staff (Decision Makers) due to budget cuts and in the process of hiring.

Q1 - Home Rules have decided to revisit SUTS in January 2021.



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