



Colorado Retail Council  
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Please Vote NO on **House Bill 1245** by Rep. Weissman  
*Vendor Fee For Tax Collection Duties - Monthly Cap*

**Summary** - Retailers are currently allowed to keep 3.3% of state sales tax collected and remitted on each transaction as reimbursement for their costs of serving as the state's tax collector. For example, if a customer purchases \$100 of goods and the state sales tax of 2.9% is applied, the retailer is allowed to keep nearly 10 cents on the transaction. (3.3% of the \$2.90 in tax collected on the \$100.)

**It's really complicated** - Tax experts understand that Colorado now has the most complicated sales tax collection system in the country. For years, the Colorado General Assembly's *Sales and Use Tax Simplification Task Force* has been meeting in the interim to brainstorm on ways to unburden businesses of all sizes from the "ongoing challenges within existing fiscal frameworks" and "to adopt innovative revenue-neutral solutions that do not require constitutional amendments or voter approval." The very fact that the General Assembly has such an ongoing task force proves how complicated the current system really is and why retailers should receive an allowance for their troubles.

Our members operate in nearly every jurisdiction in the state, so their tax collection and remittance process is MORE complicated than a small business, not less.

**The state requires that retailers act as the tax collector** - Our retail members incur real costs for the tax compliance and remittance duties that are required in state law. The main components of these costs are: the labor involved in preparing and remitting sales tax returns, the professional accounting firms necessary to ensure the process is handled properly, the periodic audits from the state, and liability costs associated with the potential to over/under-collect the sales tax.

When compared to other states in the nation the current Colorado vendor fee of 3.3% is indeed robust - and appropriately so - because nearly every large city in the state provides provide 0% vendor allowance. Unlike the other states in the nation with more modest vendor discounts, Colorado does not offer central collection for retailers.

While HB 1245 actually increases the rate from 3.3% to 4.0%, it is no help to our members who will all be capped at a mere \$1,000/month after collecting millions in taxes for the state. **Please vote NO.**

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