

House Transportation & Local Government
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 HB22-1024 Sales & Use Tax Exemption Mun Pub Sch Constr
 Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
<p>Michael Gifford For Associated General Contractors Colorado</p>	<p>Hi my name is Michael Gifford and I am CEO of Associated General Contractors of Colorado. AGC is an association of commercial construction firms that build the majority of the state public and many private projects, including the majority of the state's K-12 projects. We have 650 member s that are general contractors, specialty contractors in all of the various trades, and suppliers.</p> <p>I am writing today in SUPPORT of HB22-1024.</p> <p>First, we have seen unrepresented construction materials cost increases since Feb of 2020, the start of the pandemic. The cost increase for a typical commercial building project (as measured by the US Bureau of Labor Statistics and reported by AGC America's Chief Economist) is 30%. This increase is the cost the contractor has to pay to have materials delivered to the jobsite, so we have little control over this increase.</p> <p>Since materials are 50% of a typical project, this equates to a 15% increase in total building project costs since Feb 2020.</p> <p>Labor has gone up 5% in this same timeframe, and is the other 50% of a project cost.</p> <p>Therefore we have a 20% project cost increase in the last 2 years.</p> <p>State sales tax is already exeK-12 school projects are already exempt from sales and use tax, saving 1.45% of a projects cost (one half of 2.9)0.</p> <p>This bill will reduce the cost of a school project by one half of the local sales tax. So if local sales tax is 5%, then this bill will save another 2.5% and help soften the blow of the recent 20% cost increases.</p> <p>Second, we experience paying sales and use tax on materials in a K-12 school project, in several areas of the state. Some of these cities claim to refund the tax collected, but the reality is not the same as the claim. There have also been lawsuits we have had to pursue to get the money refunded. Plus the refund process is an administrative time and attention hassle, and we price this anticipated hassle, and less than 100% recovery, into our bids.</p> <p>In addition, there are some cities that do not refund the sales and use tax at all, so in that case the cost is literally 2.5% higher than it needs to be.</p>

Katie Van Kooten For Self	<p>For these reasons we are in support of HB22-1024</p> <p>Dear Representative Bird,</p> <p>As an employee of a Colorado Public School District, I feel that it is my fiduciary duty to effectively communicate my overwhelming support for HB22-1024 - Sales and Use Tax Exemption Municipal Public School Construction.</p> <p>I feel that this proposed bill effectively ensures that public school construction projects maintain a tax exemption status for materials used as a part of the building across the board and reduces the confusion between public school officials and contractors building, or renovating schools within a single school district, across multiple municipalities with varying home rule statuses.</p> <p>Moreover, I support the effort to ensure that tax exempt entities, especially those who are predominantly funded via taxes, remain tax exempt, regardless of a municipalities home rule status.</p> <p>Thank you for all that you and your elected counterparts due on behalf of your constituents and the State of Colorado.</p> <p>Respectfully, Katie Van Kooten</p>
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