



SENATE JOINT RESOLUTION 23-004

BY SENATOR(S) Bridges and Van Winkle, Moreno;  
also REPRESENTATIVE(S) Kipp and Bockenfeld, Amabile, Bird, Brown,  
deGruy Kennedy, Dickson, Epps, Lieder, Lindsay, Mauro, Michaelson Jenet,  
Snyder, Vigil.

CONCERNING UNIFORMITY AMONG MUNICIPALITIES THAT  
LOCALLY COLLECT SALES AND USE TAX ON CONSTRUCTION  
MATERIALS INCLUDING ISSUANCE OF BUILDING PERMITS.

WHEREAS, The Colorado constitution empowers home rule municipalities and local governments to act and legislate on local matters, including the levy of local sales and use taxes; and

WHEREAS, The local sales and use tax collection system used by Colorado municipalities on construction materials can be cumbersome and difficult for multijurisdictional contractors and subcontractors; and

WHEREAS, Some municipalities levy a sales tax on building materials while other municipalities levy a use tax on building materials; and

WHEREAS, Some municipalities integrate their sales and use tax into the issuance of a building permit based on the estimated cost of the construction materials, while other municipalities require suppliers or vendors to remit sales tax and consumers to remit use tax paid by the owner of the construction materials; and

WHEREAS, Some building permits include the collection of sales and use tax for counties and cities, while other building permits include only the collection of sales and use tax for a particular taxing jurisdiction; and

WHEREAS, The divergent methods of local collection of sales and use tax on construction materials creates confusion for taxpayers and increases the need for reconciliations; and

WHEREAS, The state, local governments, the Colorado Municipal League, suppliers, vendors, contractors, and subcontractors agree that creating uniformity in the collection of sales and use tax for construction materials among municipalities would improve Colorado's business environment; now, therefore,

*Be It Resolved by the Senate of the Seventy-fourth General Assembly of the State of Colorado, the House of Representatives concurring herein:*

That the General Assembly:


(1) Urges municipalities and counties that locally collect their sales and use taxes to work together, through the Colorado Municipal League, to create a uniform administration of sales and use tax on construction materials;

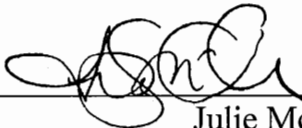
(2) Further urges municipalities to coordinate efforts to standardize information on building permits so that it is easy to determine the jurisdiction, the permit number, the job address, and proof of sale or use tax payment;

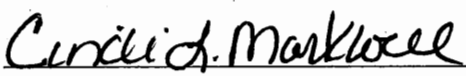
(3) Further urges municipalities to speed up the process for issuing documentation showing proof of pre-payment of sales or use tax payments; and

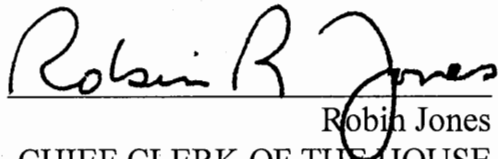
(4) Requests that the Colorado Municipal League update the Sales and Use Tax Simplification Task Force on its efforts coordinating among municipalities to create a uniform system of collecting sales and use tax and issuing building permits by August 2023.

*Be It Further Resolved,* That copies of this Joint Resolution be sent to all members of the Sales and Use Tax Simplification Task Force and the Colorado Municipal League.

  
\_\_\_\_\_  
Steve Fenberg  
PRESIDENT OF  
THE SENATE

  
\_\_\_\_\_  
Julie McCluskie  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

  
\_\_\_\_\_  
Cindi L. Markwell  
SECRETARY OF  
THE SENATE

  
\_\_\_\_\_  
Robin Jones  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES