

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. R23-0114.01 Jessica Herrera x4218

SJR23-004

SENATE SPONSORSHIP

Bridges and Van Winkle,

HOUSE SPONSORSHIP

Kipp and Bockenfeld,

Senate Committees
Finance

House Committees

SENATE JOINT RESOLUTION 23-004

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

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

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

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

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

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

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

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

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

21 That the General Assembly:

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

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

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

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

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