

2024

SMALL BUSINESS TAXATION EQUITY ACT

OUR TEAM:

- MENTOR: JONATHAN SINGER, BOULDER CHAMBER SR. DIR. POLICY PROGRAMS AND FORMER CO STATE REP
- ROSALYN REDWINE, WINNING COFFIERS
- CHERLYN HALIBURTON, THE WORD
- NADEEN IBRAHIM AND HELEN TEKLE, EC3

Story THE WORD

Founded by Cherlyn and Charles Haliburton in 1998.

Last independent Bible bookstore in the state of Colorado. We are a small business and a key part of the community.

We do ministry with people experiencing homelessness, and distribute food and clothing. Around Christmas time, we also distribute toys to the kids in the neighborhood.

We are a core member of the East Colfax Community Collective Small Business Membership.



WE NEED A PATH FORWARD

We need more time to pay our taxes. A third payment option of monthly payments for property taxes would be ideal.

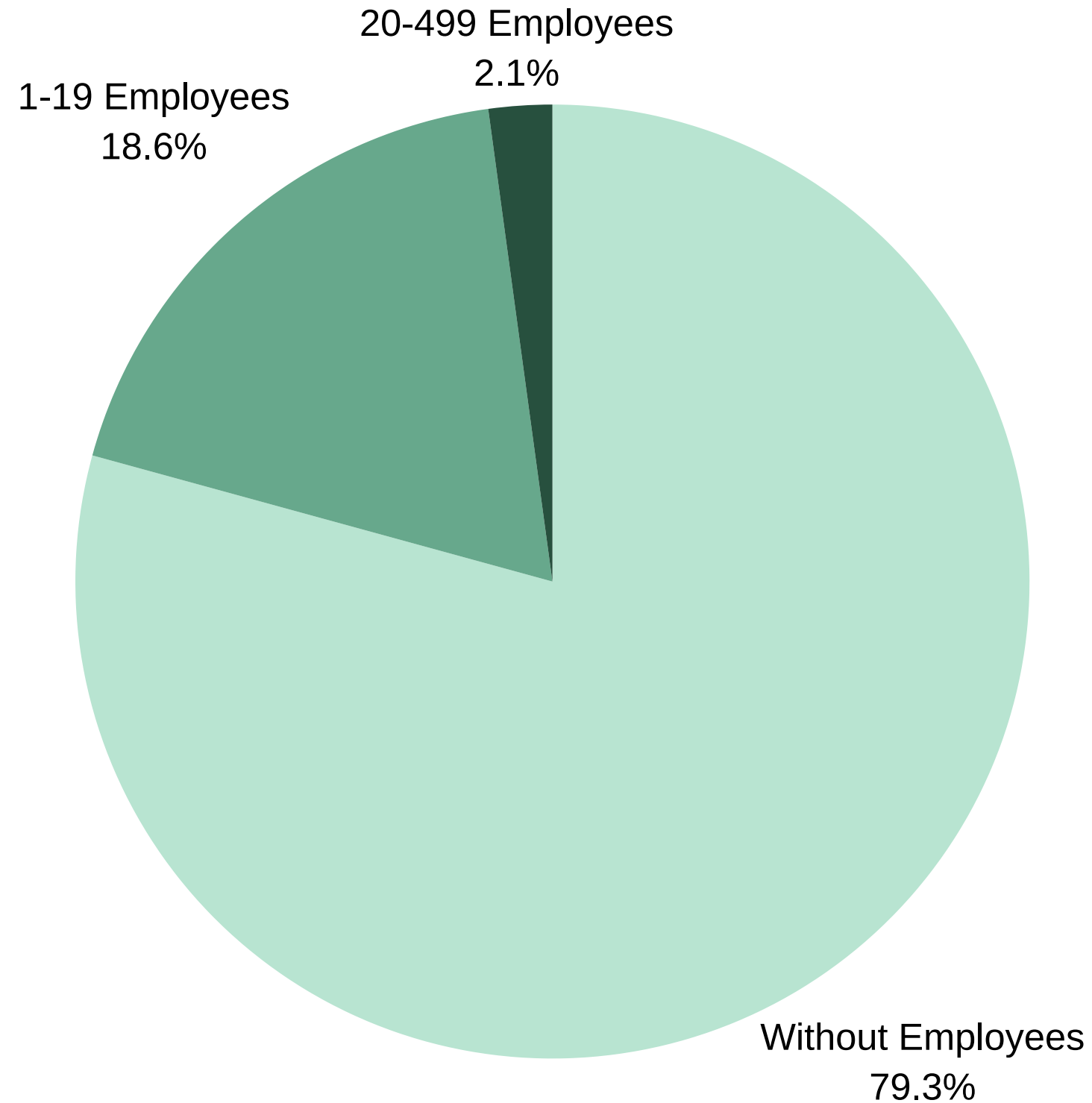
This would be similar to what is asked of sales tax and how residential property taxes are incorporated into mortgage escrow.



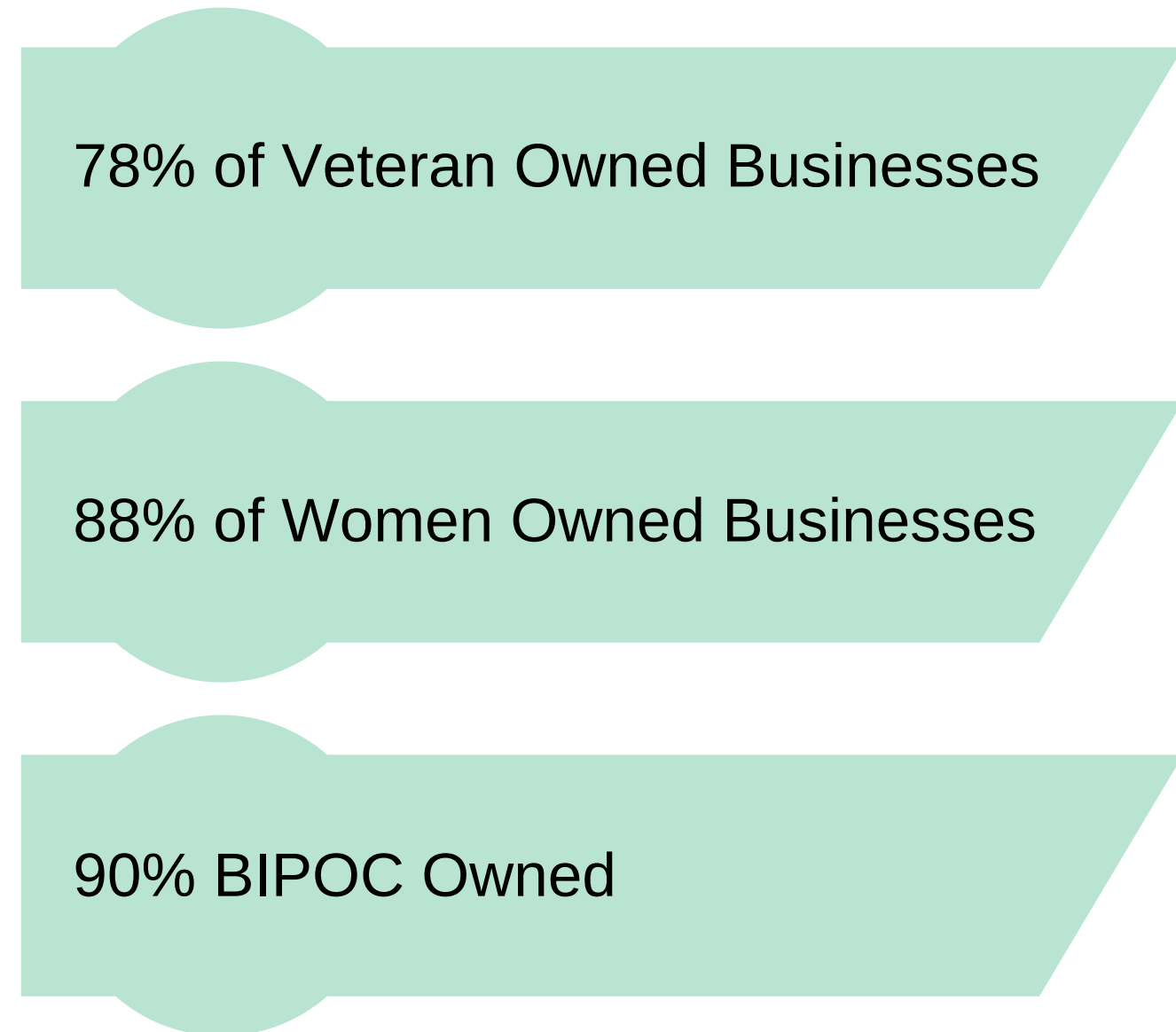
SMALL BUSINESS LANDSCAPE



Small Business Count by Size in Colorado

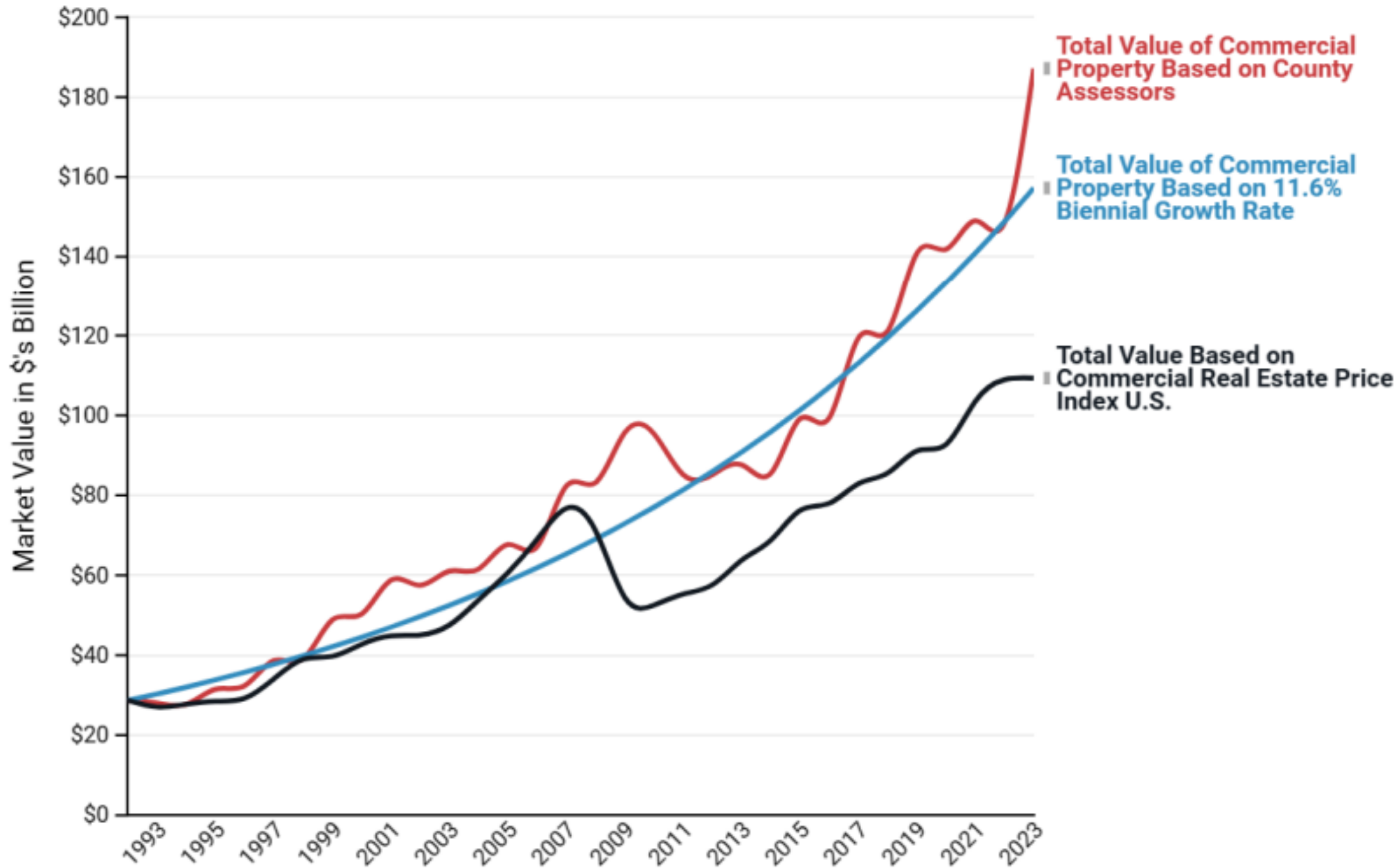


% of Small Business Ownership (without any employees) by Demographic Group



COMMERCIAL PROPERTY ASSESSMENT

Total Value of Colorado Commercial Property



CSI Estimates

Average Commercial Property Valuation Increase in 2023: 26%

(16 of 64 counties had a commercial property valuation increase of 35% or more)

2024 Commercial Property Assessment Rate: 29%

Our Initial Proposal

PAYMENT OPTION #1

Two installments:

- Half payment by End of February
- Half payment by June 15

PAYMENT OPTION #2

Full payment by April
30

PAYMENT OPTION #3

Monthly property tax payments for small businesses, specifically microenterprises

More than 60% of small businesses consider property taxes to be burdensome.

PREVIOUS STATE EFFORTS

THE IDEA OF NEEDING MORE TIME TO PAY PROPERTY TAXES IS NOT NEW.

Governor Executive Order: #D 2020 12

Issued on March 20, 2020 and effective through April 20, 2020

County Treasurers have the discretion to waive a portion of late interest for property tax installment payments already delinquent.

Governor Executive Order: #D 2020 12

Issued on April 6, 2020 and effective through April 20, 2020

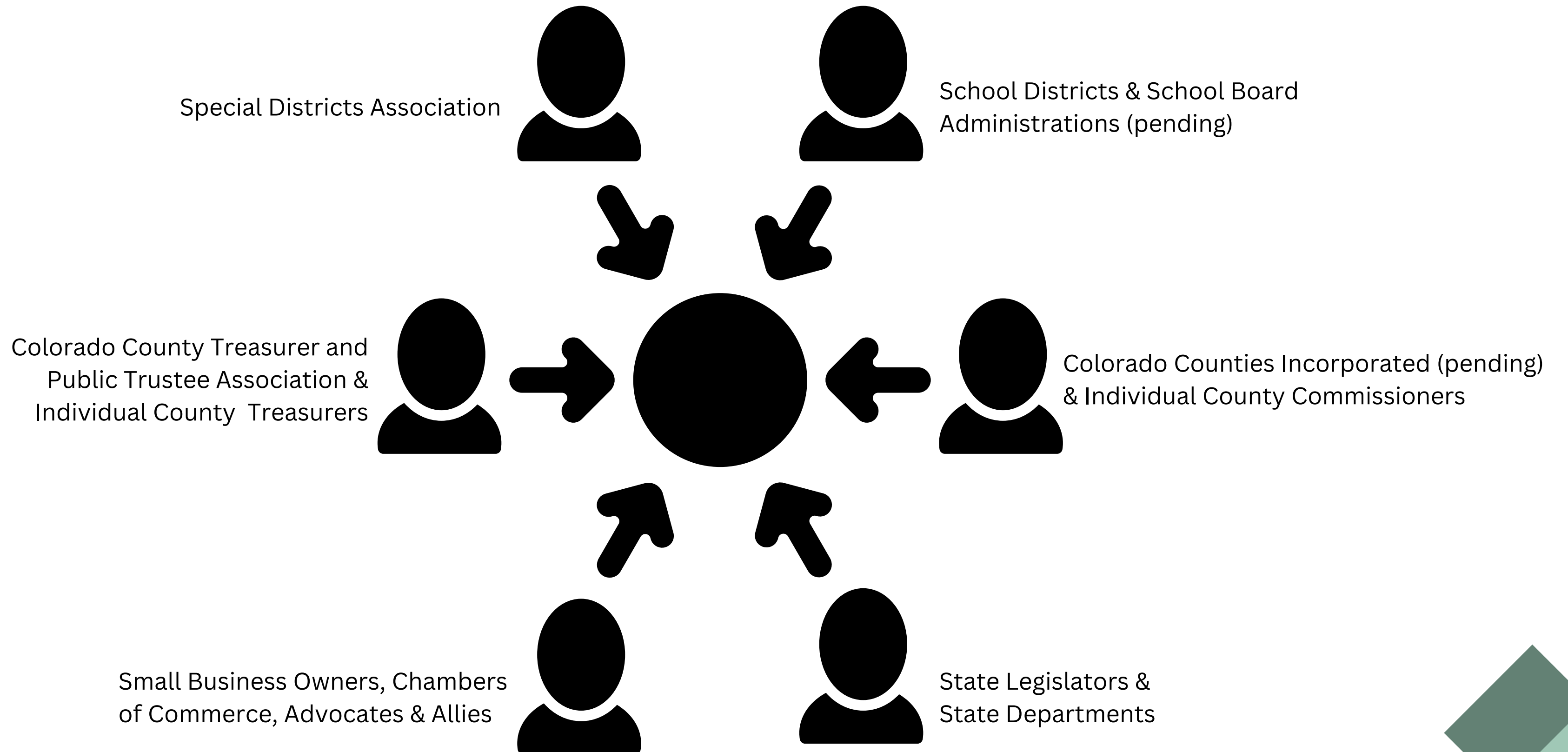
County Treasurers can extend late interest payment waivers through April 30, 2020.

Property taxpayers can pay the first installment by April 30, if they missed February 29 payment date. Interest free.

Second installment is still due June 15.

State Statute 39-10-104.5: Payment dates - optional payment - failure to pay - delinquency - State imposes interest on delinquent taxes at 1% per month starting with the first month a tax installment payment is late.

STAKEHOLDER PROCESS



SUPPORT

OUR IDEA HAS GARNERED INTEREST

Our Team

Our team is comprised of:

- Small Business Owners
- Boulder Chamber
- Good Business Colorado
- Small Business Majority
- African Chamber of Commerce
- East Colfax Community Collective
- Subject Matter Experts

Legislative Outreach

We have commitments from Rep Bird and Rep Ricks.

We have interest from Sen Coleman, and continue to meet with legislators.



STAKEHOLDER FEEDBACK



Administrative Burden

It takes time and effort to process a third payment plan option.

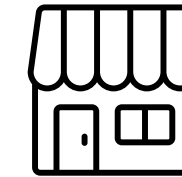
We believe having a third payment plan option will decrease the number of delinquencies.



Tax Revenue Stream

Taxing Districts base their budgets on the tax revenue stream. Government services need to be maintained while offering tax relief. How much revenue would be deferred?

We recognize a monthly payment plan is not feasible given the current property taxation process.

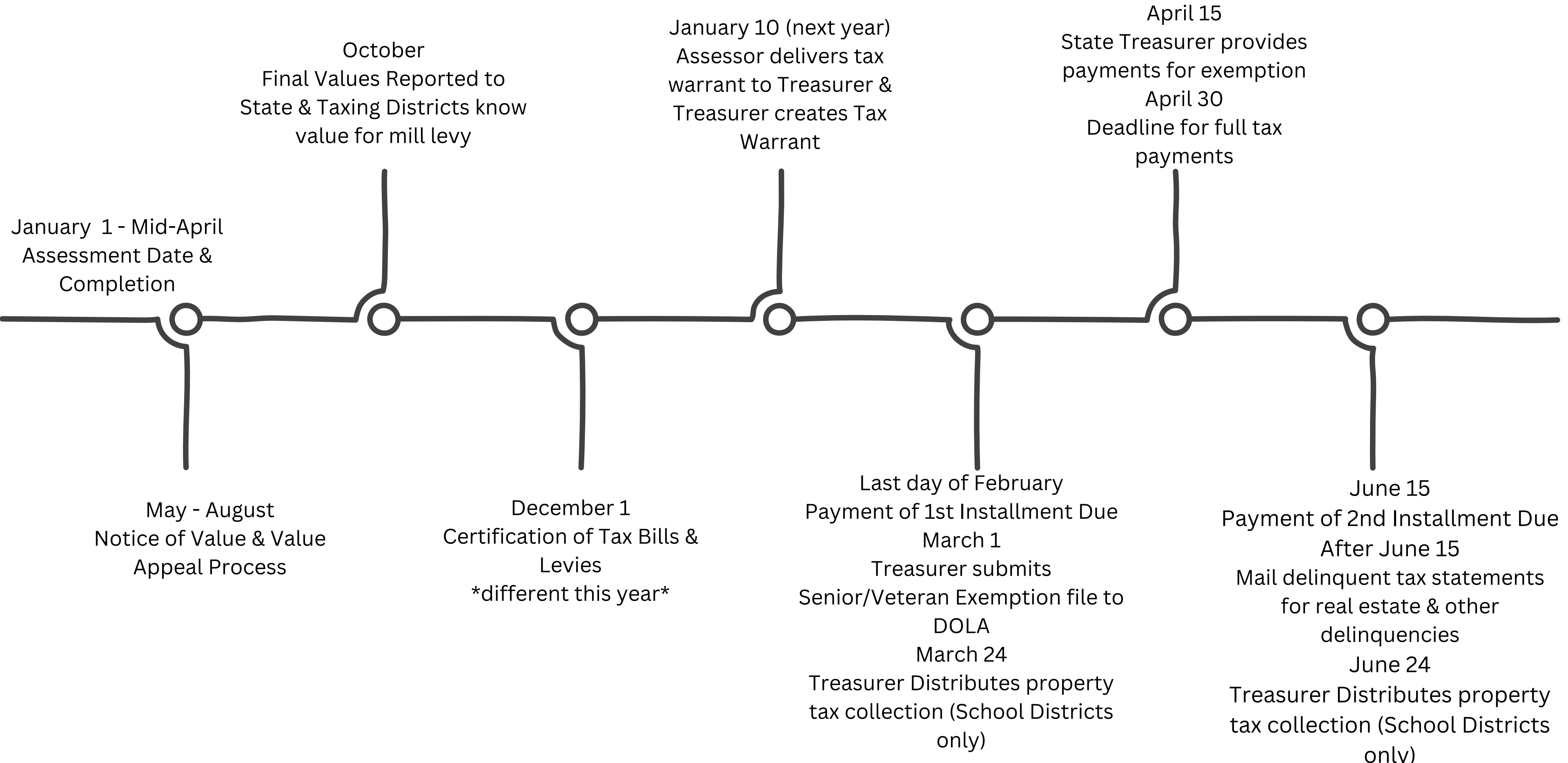


Qualification Criteria

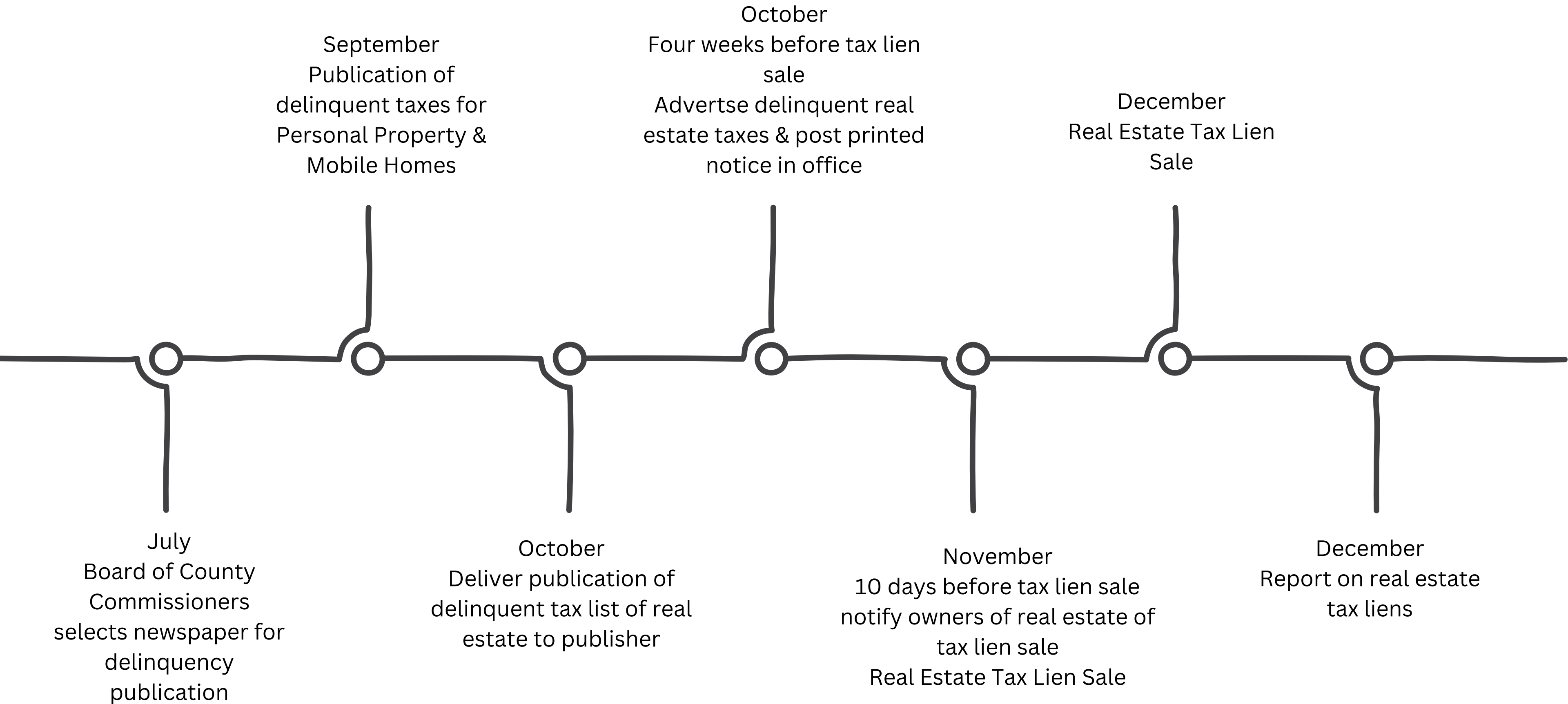
What would be considered a small business? How do we still incentivize paying on time and earlier?

The state does offer an exemption process for seniors and active military that we could consider mirroring for small businesses.

PROPERTY TAXATION PROCESS



PROPERTY TAXATION PROCESS PT.2



Our Solutions

Option 1:
Allow a third
payment option
from February -
July/August

*Colorado is **1 of 8 states** that offers a tax payment installment option with less than 3.5 months between both installment due dates.*

Property taxpayers would not have to apply to this program. It would be a direct benefit.

Granting more time for payments means we will have less tax payers that will be delinquent.

Option 2:
Application
through the state
similar to other
tax exemptions

Administrative burden on taxpayers means that it will be inaccessible to many aspects of the community (e.g. language barriers).

The administrative burden would not be as great on the Treasurers and the State can provide the funding to ensure the anticipated tax revenue stream on-time.

Having the tax exemptions for seniors and active military means we already have an existing system that works.

Story

WINNING COIFFURES

Been in Business for over 44 years

We prioritize mental health concerns and substance misuse.

We are a core member of the East Colfax Community Collective Small Business Membership.



THANK YOU

