



***Sales & Use Tax Simplification Task***

***Force Testimony***

***August 11, 2021***

**TAVOR WHITE**

**CEO True Health Enterprises, LLC  
(DBA Chews Happiness)**

**Contact Info:**

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**Mister-T@ChewsHappiness.com**

**Mobile: 917-445-4646**

## **Sales and Use Tax Simplification Task Force Testimony of Tavor White**

My name is Tavor White and I am the President & CEO of True Health Enterprises (DBA Chews Happiness).

Chews Happiness® is a Boulder-based social enterprise and business bringing wholesome, eco-friendly, sustainably sourced, beyond organic, handcrafted creations to America's dogs, supporting indigenous herders and small farmers in developing countries. Our treats are housed in plant-based packaging. We have earned a top 20 ranking by the Pet Sustainability Coalition. We are a ZERO carbon business. We are a member of 1% For The Planet. And, we give 1% (min) to animal rescue.

We provide income to many Coloradans and have supported and support many local farmers markets, other events, and humane societies.

We have accomplished all this despite the fact that we are a tiny, tiny business with every conceivable force working against us.

In other words, we are exactly the type of business that a rational state would try its best to nurture.

Not Colorado though...

Every month (and for some jurisdictions every quarter) I need to file sales tax returns. I see this as a civic duty and have no issues with complying and paying on time.

However, as a "Home Rule State" CO requires me to file sales tax returns in each and every jurisdiction for which I attend an event. OK. If that were not enough though, CO requires me to file a Special Event tax form for each and every event my tiny firm sells at. This is in addition to filing each month for my general retail sales tax license.

And, if this is not enough, the state, in its infinite wisdom, only allows an event to occur over a three-week period. As this period is inconsistent with the monthly sales tax filing cycle, I am forced to break events up into three week and one-week chunks, further adding to the bureaucratic nightmare that I need to attend to every month.

Local jurisdictions, such as Denver, have similar requirements.

And, as a human who, admittedly sometimes makes mistakes, if I err on any of these returns, I need to refile them all over again. Oh, did I mention that if this happens, I get fined, or at least threatened by the CO Dept. of Revenue?

I have literally spent hours trying to deal with the bureaucracy there (not to mention a similar bureaucracy at the Denver Dept. of Revenue...).

Do you have any idea how much time and effort all this takes? – I can easily spend hours and hours a month... This is critical time I can be investing in my business and growing jobs in Colorado. It is also time I can use to actually take a few minutes off from work and avoid burn-out...

A few weekends ago as I found myself toiling with the sales taxes yet again, I was thinking that I can't possibly be the only small business owner to be suffering under the yolk of Colorado's archaic, balkanized, inefficient, anti-business, worst-in-class sales tax system, can I?

The system, not to mention our worst-in-class air quality (a totally separate issue), is causing me to seriously reconsider my move out here from the East Coast eight years ago... I am sure other small business owners are in the same boat.

Let me share with you a recent situation. In July of this year I received a letter from the CO Department of Revenue with a Statement of Account (SOA) (see Exhibit 1) indicating that I owed the state \$1,137.00 because I had not filed a Special Event Sales Tax form for an event I participated in during of April, 2021.

As it turns out, I had indeed filed my sales taxes on time. I had erred and had filed the event revenues as part of my regular sales tax filings for that month. Remember, as required by the state, I need to file under my regular retail sales tax license every month. IN ADDITION, I need to file a Special Event sales tax form for EACH AND EVERY event/market/show I attend. I happened to make the same mistake in May of this year. Please see Exhibit 2 where I explain in an online message what happened to the CO Dept. of Revenue.

Was there any flexibility in Colorado's response? Was there ANY understanding regarding what running a small business entails? -You guessed it... NO WAY! - See Exhibit 3 (middle message) - the Dept. of Revenue's July 13<sup>th</sup> response to my online message- indicating that I needed to refile ALL the sales tax forms all over again...

OK, so, after slogging through the sales taxes YET AGAIN, I complied and responded to their response on July 17<sup>th</sup> 2021 (see Exhibit 3 – top message).

I still don't know whether or not my Special Event Sales Tax license has been fined \$1,137.00...

Please remember that I also needed to file the SAME information with the local taxing authority, in this case the city of CO Springs.

Over the course of the year, my tiny company participates in markets across the state. For each event we are required to apply for a local sales tax license and file a form for each event that occurred in the locality. For some localities, such as Longmont and CO Springs, among others, I am required to file a quarterly return regardless of whether I conducted any business in those localities during the quarter. These returns require me to file the SAME data I file to the CO Dept. of Revenue.

So, although I appreciate the recent harmonization of websites across the state and localities, which facilitates the filing of each return, I am STILL required to file IDENTICAL, REDUNDANT information

multiple times. And, as mentioned earlier, if I make any mistakes, I need to refile across all of the jurisdictions.

And, in this day and age of online selling, how is a small business supposed to keep up with all this?

Please remember that I also need to file sales tax forms in other states... Overlay this with Colorado's complex sales tax system and you have a situation that seems designed to set small businesses up for FAILURE...

Now that I have explained how today's system really works, I implore this committee to actually fix it! I am not talking about putting a band-aid on the problem, but really FIX the problem.

I ask the committee that if it has not already done so, to please study how Best-In-Class states run their sales taxes? How do they distribute them to the localities? How do they ensure integrity in the system while not chasing away small businesses?

Once you study how other states manage such issues ask yourselves; can the system be reconfigured such that a business only has to file in ONE portal? Is there a way that the localities can trust the state to manage this one portal where a business can file its sales tax data ONCE per period? Can it be designed such that a business enters all the locality sales in the SAME form? Perhaps there is an even a way to provide businesses with an Excel file or other file format that they can upload with the push of a button ONE time?

Imagine that? Imagine Colorado at the sales tax management avant-garde, where the state actually goes out of its way to ATTRACT small businesses, rather than CHASE them away as it does now?

Imagine that!!!

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Tavor White". The signature is written in a cursive, flowing style.

Tavor White  
President & CEO  
True Health Enterprises, LLC (DBA Chews Happiness)

# **EXHIBIT 1**

## **CO Department of Revenue Statement of Account (SOA)**

# STATEMENT OF ACCOUNT

Colorado Department of Revenue  
Denver Colorado 80261-0004  
303-238-7378  
[www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline)

**Account:** 30735471 - TRUE HEALTH ENTERPRISES, LLC  
**Letter:** L2066984672  
**Balance:**

Jul 7, 2021

**MINIMUM OWED UPON RECEIPT**

**Minimum Owed:**

This Statement of Account displays your current standing with the Colorado Department of Revenue for taxes and other programs we administer. Please examine any enclosures carefully for important additional information about your accounts. In addition, we have the following important messages for you:

**PAY ONLINE:** For many taxes, payments can be made online. Visit [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline) to make a payment by e-check or credit card.

**IF YOU HAVE ALREADY PAID:** Submit, to the address above, a legible front and back copy of the canceled check, a copy of your original return (if applicable), and a copy of this statement. If you paid electronically, submit your payment confirmation number or copy of your financial institution statement showing the payment with the tax return copy and this statement.

Period	Tax	Penalty	Interest	Other	Credit	Balance
<b>Special Event (Sales Tax) Account (29862087-006-EVN)</b>						
Apr 30, 2021	1,026.00	108.00	3.00	0.00	0.00	\$1,137.00
<i>Subtotal</i>						<u>\$1,137.00</u>

Cut here and send only the coupon below. Help us save time and your tax dollars.

## DO NOT SEND CASH

DR 0040

Use this coupon when mailing payment OR pay online at: [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline)

Colorado Department of Revenue  
Denver Colorado 80261-0004

## PAYMENT COUPON

**Balance:**

### Please follow these steps:

- Write your account number on your check.
- Enclose this coupon with your check. Do NOT staple.
- Mail and make checks payable to:

Colorado Department of Revenue  
Denver Colorado 80261-0004

The State may convert your check to a one-time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollectible funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.

**Payment Type:** Bill  
**Account:** 30735471  
**Letter:** L2066984672

**AMOUNT ENCLOSED:**

**MINIMUM OWED:**



TRUE HEALTH ENTERPRISES, LLC  
ATTN: TAVOR WHITE  
2857 LINDEN DR  
BOULDER CO 80304-0452

99997072 12319999 10 007261211361 11 00030735471 27

## **EXHIBIT 2**

**T. White's Plea &  
Explanation Sent to  
CO Department of Revenue  
7/12/21**



< Messages

## Message

A letter or bill I received

> Archive

04/30/2021

Sales Tax

30735471-003-SLS

TRUE HEALTH ENTERPRISES, LLC

## Message

### Message

Sent: Monday, Jul 12, 2021 1:03:53 PM

Subject: Response to Letter - L2066984672

I received an SOA with this letter. The letter indicates that I did not file a tax return for the 4-30-21 period for special events - CO ACT. # -special event - 29862087. The SOA and letter came with an invoice for \$1,137.00. I am writing this note to thank you for alerting me that I did not file a special event tax form for this period. As it turns out, I erred and actually INCLUDED all event revenues in my filing for the regular sales tax account (CO ACT #: 30735471-004-LIC), instead of including it in the special event sales tax filing. That said, I DID pay the sales tax ON TIME. I just did so under my 30735471 license, rather than the 29862087 special event license. The end result was the same; I paid the taxes on time. Please note that the same situation happened for the 5-30-21 sales tax period. Please understand that we are a tiny, tiny business... We strive to pay all of our taxes on time and to meet our legal obligations. I am running a "skeleton" operation with me, the founder, as the only personal managing EVERYTHING... And, please understand that filing and paying sales taxes to multiple locations (even within the state of CO) and to multiple accounts at the state level can be quite confusing and overwhelming to a tiny business owner... So, I implore you to please accept the sales taxes and forms I have filed for the periods April and May 2021. As I indicated, ALL taxes HAVE BEEN PAID ON TIME! I just paid them to our regular sales tax account and forgot that I was supposed to pay for the local market revenues to the Special Event sales tax account. And, the total sales tax owed and paid does not even come close to the \$1,137.00 that you are charging me... Just to summarize the situation: \* I DID file and pay the taxes for the events we attended ON TIME (see attachments) \* I mistakenly did so by filing and paying them to the CO ACT #: 30735471-004-LIC, rather than the CO ACT. # -special event - 29862087 license. \* ALL taxes were paid in FULL on time (see attachments). Going forward, I will remember to file both the regular sales tax forms AND the special event sales tax form when appropriate. However, please, accept the payments I have made. Please do not charge me > \$1,100 for revenue I did not have. And, please do not charge me interest or penalties for taxes I have already paid on time. You can call me on my mobile to discuss (I just tried to call your office to discuss this, but after waiting > 1 hr. gave up). Please advise regarding how I can resolve this. Thank you very much for all of your support and help. -Tavor White CEO and Founder, True Health Enterprises, LLC Attachments: 4-30-21 sales taxes filed for CO ACT #: 30735471-004-LIC) - should have been filed for CO ACT. # -special event - 29862087, as there were no other CO state revenues. Payment acknowledgement from Chase Bank that the 4-30-21 taxes were paid. 5-30-21 sales taxes filed for CO ACT #: 30735471-004-LIC) - the vast majority of which should have been filed for CO ACT. # -special event - 29862087, as there was only \$66.00 other CO state revenues.

## Attachments

Name	Description	Size (Kb)	Sent
<a href="#">04-21 CO State ONLINE.pdf</a>	4-30-21 Sales tax filing	412	12-Jul-2021 13:03:53
<a href="#">5-24-21 ACH pmnt To CO Dept. of F</a>	Payment for 4-30-21 sales tax filing	116	12-Jul-2021 13:03:53
<a href="#">05-21 CO State ONLINE.pdf</a>	5-30-21 sales tax filing	1,042	12-Jul-2021 13:03:53

Name	Description	Size (Kb)	Sent
<a href="#">6-23-21 ACH Pmnt to CO Dept. of R</a>	ACH payment for sale stax filed 5-30-21	122	12-Jul-2021 13:03:53
<a href="#">CO Dept. of Revenue 6-21-21 Admi</a>	Payment acknowledgement CO-Dept. of Rev-5-3	941	12-Jul-2021 13:03:53



**EXHIBIT 3**

**CO Department of Revenue's  
Response - 7/13/21**

**&**

**T. White's Response Back -  
7/17/21**



< Messages

## Message

Reply

> Archive

04/30/2021

Sales Tax

30735471-003-SLS

TRUE HEALTH ENTERPRISES, LLC

## Message

### Message

Sent: Saturday, Jul 17, 2021 6:27:16 PM

Subject: RE: Response to Letter - L2066984672

Thank you for your reply. I understand that you are limited to the system that exists. I will be contacting my state legislators to explain how the present system renders CO an extremely unfriendly state to small businesses. I appreciate your response though. I have amended my April and May 2021 retail retail sales tax returns. I have also filed special event tax returns for all events for those two months. I have also paid for the taxes associated with these filings. Please note that now I am OVERPAID for my regular sales tax account (CO ACT #: 30735471-004-LIC). I am also overpaid for my special event license - CO ACT. # -special event - 29862087, as I ended up paying too much by mistake. Please fix my Statement Of Account. And, please do not charge me interest; as I indicated, I had mistakenly paid all the taxes on time through my regular sales tax account. So, I DID pay on time. I also filed local tax forms on time to the local jurisdictions (or will do so if they are filed quarterly). Please let me know if there is anything else I need to do to fix my Statement Of Account (which, by the way, you vastly over-estimated my revenue for). Thank you for your consideration. -Tavor White

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Received: Tuesday, Jul 13, 2021 1:53:19 PM

Subject: RE: Response to Letter - L2066984672

As you paid the wrong taxing district by filing on your regular sales tax license, you will need to reverse those sales that were for the 04/2021 Colorado Springs Expo and the 05/2021 and file on a DR0098 Special Event Sales tax return to pay the proper jurisdictions.

Special event license requirements apply to sellers participating in the event regardless of whether such sellers have been issued a standard retail sales tax license for their regular business location. Special event licenses apply only to retail sales made at the special sales event by the seller to whom the license is issued. The license does not apply to sales made at the seller's regular business location or at any other location. The special event license and special event sales tax return ensures the proper tax is paid to the city, counties and special districts in which the event is held.

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