



Legislative Council Staff

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STAFF SUMMARY OF MEETING TASK FORCE CONCERNING TAX POLICY

DATE: Thursday, August 26, 2021

TIME: 9:00 AM – 12:05 PM

ROOM: Old State Library

Meeting Attendance

Name	Present	Excused
Kevin Amirehsani	X – in person	
Chris Brown	X – in person	
Dianne Criswell	X – in person	
Richard Elsner	X – in person	
Steve Ellington	X – in person	
Mark Ferrandino	X – in person	
Jason Gelender	X – in person	
Phil Horwitz	X – in person	
Alfredo Kemm		Excused
Jeff Kraft	X – virtual	
Kelly McNicholas Kury	X – virtual	
Jason Meyers	X – virtual	
Donald Pacheco	X – virtual	
Stacey Roberts	X – virtual	
Henry Sobanet	X – in person	
Rhonda Sparlin	X – in person	
Trey Standley	X – virtual	
Kate Watkins	X – in person	
Lance Williams	X – virtual	
Dave Young	X – in person	
Jeffrey Zax	X – in person	

[9:08 AM] Task Force Chair and Vice Chair Selection

[VOTE] Chair selection. Mr. Phil Horwitz nominated Mr. Henry Sobanet to serve as chair of the task force. Professor Jeffrey Zax seconded the motion. Mr. Sobanet spoke on the motion. The motion was adopted without objection.

[VOTE] Vice-chair selection. Professor Zax nominated Mr. Horwitz to serve as vice-chair of the task force. Director Mark Ferrandino seconded the motion. Ms. Criswell spoke on the motion. Mr. Horwitz made a substitute motion to nominate Director Ferrandino to serve as vice-chair of the task force. After task force discussion, Mr. Horwitz withdrew his substitute motion. The original motion for Mr. Horwitz to serve as vice-chair of the task force was adopted without objection.

[9:16 AM] Task Force Scope and Duties

Mr. Greg Sobetski and Mr. Jeff Stupak, Legislative Council Staff, provided an introduction to the task force. Mr. Sobetski provided an overview of the duties of the task force, including the membership and scope of the task force.

Additional information about the task force can be found here:

<https://leg.colorado.gov/committees/legislative-oversight-committee-concerning-tax-policy-task-force/2021-regular-session>

A memorandum that was provided to the task force, which provides an overview of the Legislative Oversight Committee Concerning Tax Policy and Task Force can be found here:

https://leg.colorado.gov/sites/default/files/images/committees/2017/tax_policy_committee_and_task_force_-_charge_memo.pdf

A copy of the letter from the committee that was sent to the task force, which outlines the scope of the committee and task force can be found here:

https://leg.colorado.gov/sites/default/files/images/committees/2017/scope_of_tax_policy_-_signed.pdf

Mr. Ed DeCecco, Office of Legislative Legal Services, responded to questions from task force members. The task force discussed the number of times the task force is required to meet each year and the report that the task force is required to produce by October 1 each year.

Mr. Sobetski responded to questions regarding the role of staff support from the various agencies.

[VOTE] Under the implementing legislation for the task force, [House Bill 21-1077](#), individual votes on task force issues are to be based on subject matter expertise and do not commit representative entities or organizations to any position or action. Mr. Horwitz made a motion that in addition to any votes, any commentary, actions, and discussions made in the course of task force members' work on the task force do not reflect or represent task force members' organizations or offices. Commissioner Kelly McNicholas Kury seconded the motion. Treasurer Dave Young spoke on the motion. Mr. DeCecco

spoke on the motion. Task force discussion on the motion ensued. Chair Sobanet requested that a disclaimer be made at the beginning of each meeting and be included in each task force report stating this position. The motion was adopted without objection.

[9:48 AM] Welcome from the Legislative Oversight Committee

Representative Adrienne Benavidez and Senator Chris Hansen, chair and vice-chair of the Legislative Oversight Committee Concerning Tax Policy, provided introductory remarks to the task force. Representative Benavidez provided the task force with an overview of the background regarding the origin of the task force and the role and objectives of the task force.

Representative Benavidez and Senator Hansen responded to questions from the task force regarding expectations for the annual report. They indicated that items they hope to have addressed in the first annual report may include information regarding how many times the task force has met, the task force membership, the agendas for past and future meetings, and the procedures and rules governing how the task force plans to operate. They indicated that the task force may also submit subsequent reports after the October 1 report that outline more substantive policy recommendations that may be considered for the next legislative session.

Representative Benavidez expressed her desire to have task force recommendations and discussions consider the wide range of potential impacts and interactions with federal, local, and other tax systems; relay the findings from a wide range of research and evidence; and consider unintended consequences of recommendations, including the potential impact on diverse communities.

Representative Benavidez discussed the items included in the scope of the task force, which include:

- applying the state income tax to federal adjusted gross income rather than federal taxable income;
- homestead exemptions for senior citizens and veterans with a disability;
- the geographic extent of enterprise zones within Colorado, and options for their continuation or discontinuation;
- property tax treatment of short-term rentals; and
- options for expanding the sales and use tax to apply to services.

Task force discussion ensued regarding the future work of the task force.

[10:45 AM] Task Force Member Introductions

Members of the task force introduced themselves.

Non-voting members of the task force include:

- Jason Gelender, representing the Office of Legislative Legal Services;
- Trey Standley, representing the Office of the State Auditor;

- Kate Watkins, representing Legislative Council Staff; and
- Alfredo Kemm, representing the Joint Budget Committee Staff, who was not present at the meeting.

Voting members of the task force include:

- Kevin Amirehsani, serving as a representative of the Office of State Planning and Budgeting;
- Chris Brown, Common Sense Institute, serving as a representative of a nonprofit organization;
- Dianne Criswell, Special District Association of Colorado, serving as a tax law practitioner;
- Richard Elsner, Park County, serving as a representative of local government from a statutory county;
- Steve Ellington, City and County of Denver, serving as a representative of local government from a home rule municipality;
- Executive Director Mark Ferrandino, serving as a representative of the Taxation Division in the Colorado Department of Revenue;
- Phil Horwitz, Moss Adams, serving as a tax law practitioner;
- Jeff Kraft, serving as a representative of the Office of Economic Development and International Trade;
- Kelly McNicholas Kury, Pitkin County, serving as a representative of local government from a home rule county;
- Jason Meyers, Town of Frederick, serving as a representative of local government from a statutory municipality;
- Donald Pacheco, Equitable Advisors, LLC, serving as a representative of small businesses;
- Stacey Roberts, TaxOps, LLC, serving as a certified public accountant;
- Henry Sobanet, Colorado State University, serving as a representative of a state institution of higher education with knowledge of tax policy;
- Rhonda Sparlin, RubinBrown, serving as a certified public accountant;
- Lance Williams, Deloitte Tax, LLP, serving as a representative of large businesses;
- Treasurer Dave Young, serving as a representative of the Colorado Department of the Treasury; and
- Jeffrey Zax, University of Colorado, serving as a representative of a state institution of higher education with knowledge of economics.

[11:18 AM] Discussion of Task Force Plans and Next Steps

The task force discussed scheduling future task force meetings. Task force staff was directed to send out a Doodle poll to determine task force members' availability in the coming months. Staff was also asked to include a format in the Doodle poll to gauge members' interest in serving on future potential subcommittees arranged around the five topic areas of study. Staff will work with members' availability and Chair Sobanet to establish future task force meeting dates.

The task force discussed the agenda for the next meeting. The task force asked to have presentations from staff on the Taxpayer's Bill of Rights (TABOR), the Colorado Open Records Act (CORA), and

open meeting requirements. The task force also asked to have general, top-level overview presentations on each of the five topic areas of study.

The task force requested a presentation from Department of Revenue staff and Legislative Council Staff on a comparison of using federal adjusted gross income rather than federal taxable income at a future meeting.

The task force asked that staff from Legislative Council Staff, the Office of State Planning and Budgeting, the Colorado Department of Revenue, and other entities, to compile any memorandums, staff publications, and studies on the five topic areas of study and to have these posted on the task force's webpage.

The task force also discussed the possible formation of subcommittees. Additional discussion on this topic was postponed to a future meeting.

[VOTE] Mr. Horwitz made a motion that, for purposes of the task force procedures, a quorum for purposes of conducting a meeting consists of a majority of all task force members and a vote must receive a majority of voting members present in order to pass. Ms. Criswell seconded the motion. The task force discussed the motion. Director Ferrandino made a substitute motion to have a quorum for purposes of conducting a meeting be a majority of all task force members, a quorum for purposes of taking a vote be a majority of voting members, and for a vote to pass, it would require a majority of voting members present. The substitute motion was seconded by Mr. Horwitz. Task force discussion ensued regarding the substitute motion. The substitute motion was adopted without objection.

[12:05 PM] Adjourned