



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Room 029 State Capitol, Denver, CO 80203-1784

Phone: (303) 866-3521 • Fax: (303) 866-3855

lcs.ga@state.co.us • leg.colorado.gov/lcs

STAFF SUMMARY OF MEETING TASK FORCE CONCERNING TAX POLICY

DATE: November 10, 2022

TIME: 1:00 p.m.

ROOM: LSB-B, Legislative Services Building

Meeting Attendance

Name	Present	Excused
Kevin Amirehsani		
Chris Brown		
Jon Catlett		
Dianne Criswell		
Comm. Richard Elsner		
Steve Ellington		
Director Mark Ferrandino		
Jason Gelender		
Jeff Kraft		
Comm. Kelly McNicholas Kury		X
Jason Meyers		
Donald Pacheco		
Stacey Roberts		
Greg Sobetski		
Rhonda Sparlin		
Trey Standley		
Lance Williams		
Treasurer Dave Young		
Jeffrey Zax		X
Phil Horwitz, Vice-Chair		X
Henry Sobanet, Chair		

The chair called the meeting to order and welcomed fellow members of the task force.

1:05 PM: Presentation from the Center on Budget & Policy Priorities

Mr. Michael Mazerov, Senior Fellow with the Center on Budget and Policy Priorities, presented on expanding the sales and use tax to services. He began by discussing why states may choose to tax services such as improving sales tax fairness, revenue potential, and long-term fiscal sustainability or elasticity. He continued by discussing horizontal equity and whether taxing services makes sales tax less regressive. He noted that broadly taxing services would make overall tax systems more regressive. He also discussed the revenue impacts of taxing services.

Mr. Mazerov continued by discussing what services should be taxed including focusing on untaxed household purchases, such as personal trainers, and services frequently sold to both household and businesses, such as auto repair. He noted that the problems with taxing services include that the sales tax is supposed to be on final consumption of a good, tax pyramiding, pass-through of taxes on services, and business opposition.

Mr. Mazerov answered several questions related to the Taxpayer's Bill of Rights, the state sales tax base, business personal property taxes, and tax offsets.

2:10 PM: Local Government Sales and Use Tax on Services

Ms. Jaelyn Terwey, representing the Colorado Municipal League (CML), presented to the committee on local sales and use taxation on services. In a CML informal survey, around 50 percent of local municipalities tax some services. The most popular services taxed include telecommunications, television, gas and utilities, linen services, energy production, and some digital products.

Mr. Don Korte, representing the City and County of Denver, came to the table to discuss several services that the City and County of Denver taxes. He discussed the issue of disparate state and local sales tax bases and simplification efforts. In response to committee questions, Mr. Korte discussed whether Denver has had issues with administering sales and use taxes on services. He also answered several questions regarding the Sales and Use Simplification Task Force.

Mr. David Hansen, representing Legislative Council Staff, came to the table to answer a question about state taxation of lodging. The committee discussed the difference between sales and lodging taxes.

2:30 PM: Other Business

The task force discussed the possibility of reporting to the Legislative Oversight Committee and what any report may contain.

The task force adjourned at 2:45 p.m.