



June 27, 2024

TO: Sales and Use Tax Simplification Tax Force Members

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SUBJECT: Sales and Use Tax Simplification Task Force Overview

Summary

This memorandum provides an overview of the Sales and Use Tax Simplification Task Force (task force), including the charge of the task force, the task force membership, bill request information, and information about the committee staff and website.

Origin and Charge of the Task Force

The task force was created in 2017 pursuant to [House Bill 17-1216](#). Originally, the task force was to repeal in 2020. However, [House Bill 20-1022](#) extended the work of the task force for an additional five years through July 1, 2026.

The task force is charged with studying the necessary components of a simplified sales and use tax system for both the state and local governments, including whether there are feasible solutions for:

- making audits of retailers more uniform for all state and local taxing jurisdictions in the state;
- the utilization of a single sales and use tax return for state and local taxing jurisdictions as a part of the Sales and Use Tax Simplification (SUTS) System, created pursuant to [Senate Bill 19-006](#);

Contents

Summary	Page 1
Origin and Charge of the Task Force	Page 1
Task Force Membership	Page 3
Task Force Meetings	Page 4
Annual Report	Page 5
Recommendations for Legislation	Page 5
Task Force Staff and Website	Page 6



- streamlining the requirements for state and local sales tax licenses, use tax licenses, and business licenses used for purposes of collecting sales and use taxes;
- making uniform, and possibly increasing, the filing threshold amount for monthly sales tax filings between the state and local governments, including home rule municipalities;
- simplifying use taxes levied by the state and local governments, including home rule municipalities;
- streamlining, and possibly making uniform, the state and local sales tax exemptions for medical devices, including reviewing best practices among states in this area;
- simplifying the process by which state and local sales and use taxes are collected for the purchase of a motor vehicle;
- simplifying the issuance of local building permits and the levying of use tax on building materials and on mobile and small mobile construction equipment;
- simplifying the process to claim and administer the various state sales and use tax exemptions; and
- simplifying the sales tax collection and remittance requirements for nonprofit organizations.

The task force is also required to:

- seek regular updates from the Governor's Office of Information Technology and the Department of Revenue regarding the SUTS system, including the geographic information system (GIS) database;
- monitor and encourage participation by businesses and home rule municipalities in the SUTS system;
- review the way in which special districts and specially assessed sales taxes add to the complexity of the state's sales and use tax structure, including, at minimum, the Regional Transportation District, the Scientific and Cultural Facilities District, any local improvement districts, any regional transportation authority, any multi-jurisdictional housing authority, and any health services district, and any mass transportation system tax, public safety improvement tax, metropolitan district tax, local marketing district tax, and county lodging district tax;
- review and compare the state's sales and use tax definitions with the standard sales tax definitions developed and adopted by local taxing jurisdictions pursuant to



Senate Joint Resolution 14-038, to determine if any simplification might be achieved between the two sets of definitions;

- examine the effects of the changes to the vendor fee implemented pursuant to House Bill 19-1245;
- seek regular updates from the Legislative Oversight Committee Concerning Tax Policy created pursuant to House Bill 21-1077 regarding any decisions that the committee may make related to any sales or use tax expenditures evaluated by the Office of the State Auditor;
- explore options for eliminating a Department of Revenue requirement for taxpayers to use branch ID reporting;
- determine whether the state should adopt a sales tax exemption for an isolated or occasional sale of a business in an asset sale;
- regularly review the business impact of the destination sourcing rules, including the thresholds that trigger the requirement for destination sourcing;
- during the 2024 interim, explore the simplification of local lodging tax systems and receive testimony related to the feasibility and implementation of an electronic system for the collection and remittance of local lodging taxes in the same manner as or similar manner to the electronic sales and use tax simplification system; and
- analyze or review any other relevant topic related to the simplification of sales and use tax administration in the state.

Task Force Membership

There are 15 members on the task force:

- **Representative Cathy Kipp**, appointed by the Speaker of the House of Representatives;
- **Representative Rick Taggart**, appointed by the Minority Leader of the House of Representatives;
- **Senator Jeff Bridges**, appointed by the President of the Senate;
- **Senator Kevin Van Winkle**, appointed by the Minority Leader of the Senate;
- **Josh Pens**, Director of Tax Policy Analysis, Colorado Department of Revenue;
- **Kevin Bommer**, Executive Director, Colorado Municipal League;
- **Tracy Kraft-Tharp**, Jefferson County Commissioner, representing Colorado Counties, Inc.;



- **Jim Welte**, Operations Manager, Summit Brick Company, appointed by the Governor as a member of a statewide association of small businesses that is addressing the simplification of sales and use tax collection;
- **Rachel Quintana**, Partner, Ernst & Young LLP, appointed by the Governor as a member of the statewide chamber of commerce;
- **Michelle Bush**, Partner, Silverstein & Pomerantz LLP, appointed by the Governor as a state and local sales tax law practitioner;
- **Judith Vorndran**, Partner, TAXOPS SALT, LLC, appointed by the Governor as someone with state and local sales and use tax accounting experience;
- **Leslie Edwards**, Finance Director, Town of Frisco, appointed by the Colorado Municipal League, representing the small population category;
- **Jeanette Roybal**, Tax and Licensing Division Manager, City of Northglenn, appointed by the Colorado Municipal League, representing the medium population category;
- **Bryan Archer**, Finance Director, City of Arvada, appointed by the Colorado Municipal League, representing the large population category; and
- **Don Korte**, Director of Tax Compliance, City and County of Denver, appointed by the Colorado Municipal League, representing the largest population category.

Chair and vice-chair. Representative Kipp will serve as chair and Senator Van Winkle will serve as vice chair for 2024¹.

Task Force Meetings

The task force may meet as necessary during any legislative session or any interim, and must meet at least eight times before the next scheduled repeal of the task force on July 1, 2026. The task force is scheduled to meet on the following dates during the 2024 interim:

- Monday, June 24;
- Wednesday, July 24;
- Wednesday, August 14; and
- Wednesday, September 25.

¹ Section 39-26-802(2.5)(b), C.R.S.



Unless otherwise announced, all meetings will be held from 9:00am – 12:00pm in room LSB-A of the Legislative Services Building, located across 14th Avenue from the Capitol.

Annual Report

The task force is required to submit a report to the Legislative Council by November 1 each year. This report may or may not include recommendations for legislation. Past annual reports from the task force can be found here:

<http://www.leg.state.co.us/library/reports.nsf/ReportsDoc.xsp?documentId=9655ADC6C91D8F8587258123005FC70B>.

Recommendations for Legislation

Bill limits. The task force may recommend up to five bills to the Legislative Council. Bills that are approved by the Legislative Council do not count against a member’s five-bill limit for the regular legislative session (Joint Rule 24 (b)(1)(D)).

Requirements for bill drafts. Task force members must request bills during a single committee meeting set for requesting legislation. **According to Joint Rule 24A (d)(2.7)(B), only legislative members of the task force may request bill drafts, and bill drafts must be approved by a majority of the legislative members on the task force.** The meeting at which the task force may make its requests for draft legislation will be held on **August 14, 2024**.

There must be at least 42 days in between the meeting at which bill drafts are requested and the meeting at which bill drafts are approved. There must be at least 21 days between the date the bill drafts are finalized with the Office of Legislative Legal Services (OLLS) and the date of the meeting to consider bill drafts to allow time for Legislative Council Staff to prepare the fiscal analyses of the bill drafts. The last day to finalize task force bill drafts with OLLS is

September 4, 2024. The meeting at which the task force votes to approve any bill drafts will be held on **September 25, 2024**.

Legislative Council review. The Legislative Council will meet October 15, 2024 to approve interim committee legislation. Bills not approved by Legislative Council may be introduced during the regular session, but such bills will count against a member’s five-bill limit. Interim committee bill drafts must have prime sponsors prior to approval by the Legislative Council.



Task Force Staff and Website

Staff contacts. Legislative Council Staff and OLLS are charged with assisting the task force in its activities. If you have any questions or would like any additional information concerning the task force, please email TaxTaskForce.ga@state.co.us. You may also contact any of the following individuals:

- Dan Graeve, Research Analyst, dan.graeve@coleg.gov, 303-866-3446
- Amanda Liddle, Economist, amanda.liddle@coleg.gov, 303-866-5834
- Kristine McLaughlin, Fiscal Analyst, kristine.mclaughlin@coleg.gov, 303-866-4776
- Alison Killen, Staff Attorney, alison.killen@coleg.gov, 303-866-4350
- Jed Franklin, Staff Attorney, jed.franklin@coleg.gov, 303-866-5484
- Caroline Martin, Staff Attorney, caroline.martin@coleg.gov, 303-866-5902

Website. Documents related to the work of the task force, including documents that are distributed during the meetings and meeting summaries can be found on the task force's webpage:

<https://leg.colorado.gov/committees/sales-and-use-tax-simplification-task-force/2024-regular-session>