

Task Force Concerning Tax Policy

Members of the Committee

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Task Force Concerning Tax Policy

Submitted herewith is the required report of the Task Force Concerning Tax Policy (task force) pursuant to Section 39-21-404 (3)(g), C.R.S. The purpose of this task force is to study tax policy within the scope as defined by the Legislative Oversight Committee Concerning Tax Policy and to develop and propose tax policy modifications for consideration. Due to time constraints and the recent creation of the task force, the task force has met only three times before October 1, 2021.

Issues Studied by the Task Force

Over the course of three meetings, the task force engaged in robust initial discussions of several policy topics and alternatives as well as narrowing the scope of several assigned areas. To date, the task force studied the following issues as directed by the Legislative Committee Concerning Tax Policy:

- the Taxpayers' Bill of Rights (TABOR) implication for budget and tax policy;
- Colorado's budget and various revenue streams;
- adjusted gross income versus federal taxable income as a starting point for Colorado's individual income tax;
- enterprise zones in Colorado, their geographic extent, and various purposes; and
- the senior and veterans with a disability property tax exemptions.

The task force will continue meeting during the 2021 interim to hear presentations on policy topics at future meetings, including, but not limited to:

- property tax treatment of short-term rentals; and
- the sales and use tax base and its application to services in Colorado.

The committee plans to continue its work through the 2021 legislative interim and discuss additional details and/or recommendations. All meetings are open to the public.

Meeting Dates and Topics Discussed

Meeting summaries are prepared for each meeting of the task force. All handouts provided to the task force are posted on the task force's website. The list below contains the dates of task force meetings and the topics discussed at those meetings. Meeting summaries are also available on our website at:

<https://leg.colorado.gov/content/ilocctptf2021asubpanelsched>

August 26, 2021

- Selection of chair and vice-chair
- Task force scope and duties
- Introductory remarks from Legislative Oversight Committee Concerning Tax Policy Chair Rep. Benavidez and Vice-Chair Sen. Hansen
- Task force member introductions
- Discussion of task force plans and next steps

September 9, 2021

- Discussion on establishment of subcommittees
- TABOR and tax policy
- Colorado Open Records Act and Open Meeting Law
- Tax policy and Colorado's budget
- Adjusted gross income vs. federal taxable income

September 22, 2021

- Open discussion among task force members regarding adjusted gross income versus federal taxable income, simplicity versus policy goals, and TABOR implications
- Enterprise zones
- Senior and veterans with a disability property tax exemptions
- Discussion of the required report to the Legislative Oversight Committee Concerning Tax Policy on the efforts of the task force to date

Legislative Recommendations or Policy Proposals

Due to time constraints, the task force has not yet developed specific policy proposals as of October 1, 2021. The task force anticipates developing and reacting to policy proposals in the future with opportunity for public participation.

Communication and Collaboration Efforts

The task force follows proper notice and open meetings requirements. The task force has engaged in discussion of future stakeholder efforts for various policy topics under consideration by the task force and intends to find opportunities at future meetings for public participation. The task force has not yet had the opportunity to consider collaboration or coordination with other relevant groups or task forces.

Evidence-Based Feedback

The task force has not had time to develop any evidence-based feedback regarding the specific topics of review requested by the committee. In addition, to date, the Legislative Oversight Committee Concerning Tax Policy has not requested any other evidence-based feedback from the task force.