

HB24-1050 Creating USE tax reference like DR1002 Testimony April 29, 2024

Good afternoon,

My name is Laura Williams, and I am the local Sales & Use Tax analyst for Martin Marietta Materials and a representative of the Colorado Coalition to Simplify Sales & Use Tax. Martin Marietta is a multi-state building materials supplier and has 20 locations within Colorado.

When I started working with Colorado sales tax 15 years ago, The DR1002 was a 6-page reference for the various applicable sales tax rates across Colorado. Now-a-days, that document has expanded to 16 pages and includes detailed information about sales tax rates for special districts, state collected jurisdictions and home rule cities.

Bill HB24-1050 asks to create a similar document for the various use tax rates in Colorado, especially when use tax applies by jurisdiction. This is a vital reference needed for businesses due to the varying applications of use tax across the state.

My best firsthand example of these challenges is building permits. Some jurisdictions include city use tax, some city and county use tax, and others no tax at all. For example, Aurora is in three counties, but only includes Arapahoe County use tax on its building permits. Denver does not include any use tax. El Paso County allows the contractor to choose how use tax is applied to their permits.

The other main use tax reporting I oversee are asphalt equipment declarations. Only certain home rule cities have them, and each one has different forms and rules for documenting and collecting use tax on equipment.

A centralized reference would increase compliance with jurisdictional use tax rules that vary widely across the state. We support House Bill 1050 and ask that it moves forward during this session.

Thank you for your time today,

Laura Williams

Sales & Use Tax Analyst at Martin Marietta and

Secretary of the Coalition to Simplify Colorado Sales & Use Tax