

Testimony to Support Bill SB143 Concerning administration of retail delivery fees

Good afternoon,

My name is Laura Williams and I am the local Sales & Use Tax Analyst for Martin Marietta in Colorado.

Martin Marietta is one of the largest building material suppliers in the country with over 500 locations in 27 states and 17 locations across Colorado. Looking at the whole of Martin Marietta's business, Colorado is a small fraction. That said, Colorado's complex taxing rules requires more staff than any other state where we do business.

In the case of the retail delivery fee, our programs are written to look at quantity of material sold by ticket (or truckload). Orders are placed by quantity of material per job, so one sale can lead to multiple deliveries by truck. Invoices are created daily based on the deliveries made that day. Our software has no structure to add a line item to one specific invoice per delivered job or to separately track this fee.

From our IT group, it would be very expensive to reprogram our systems to follow the current retail delivery fee requirements. We would invest more in system enhancements than we would likely remit to the State in tax over a 7 to 8 year period.

Since July 2022, we calculate the fee manually to remit monthly to the State because our software cannot invoice or tally the retail delivery fee as written in the original bill. We actually base our payment on each delivered invoice instead of by sale, so the State is receiving more payment than the original bill intended. We do this because it is easier to track and present during an audit.

Bill SB23-143 as introduced allows us to directly pay the retail delivery fee that would be invoiced to our customers instead of adding it to the first invoice on each delivered job. We support this bill and ask it move forward in its original form.

Thank you for your time and attention.

Laura Williams

Martin Marietta Materials

Member of the Coalition to Simplify Colorado Sales & Use Tax

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Senate Finance Committee - SB23-143pamfeely@aol.com to
Katie.Ruedebusch@coleg.gov 02/20/2023 06:33 PM
Cc "Jenn Penn", "Alicia Gelinias"

Dear Members of the Senate Finance Committee,

I am writing to you today asking for your support on SB23-143. Under current law, the retail delivery fee must be shown on the invoice the customer receives as a separately stated item. Also, the retailer cannot just absorb the fee. The current Department of Revenue Regulations require retailers who use the United States Post Office also must include the fee.

This bill provides relief to the small and medium business community by allowing the retailer to pay the fee directly. In my experience working with small businesses, many of them are not aware of the requirement to separately state the fee on the receipt. Some were not even aware of the fee, especially if they mail their products. This relief is welcome because it's easier to count packages delivered or mailed. Below is some examples of what I am experiencing on the retail delivery fee. I also appreciate increasing the income threshold to \$500,000.

I also serve on the Simplify Colorado Sales Tax Coalition. The Coalition is supportive of this bill.

Over the last few months I have actively looked at the various receipts where I have had items delivered to me. Only Lehrer's Flowers has separately stated the fee on the invoice.

- I ordered a product from Walmart and they mailed the item to my home using the US Post Office - no retail delivery fee charged.
- I order pizza to be delivered to my home. The receipt does not show the fee. When I inquire of the person taking the order if the price includes the delivery fee, the person tells me to ask the delivery person.
- I ordered checks from my bank in January. The checks were mailed to my mailbox. The vendor is one of the large check printing companies in the country. No retail delivery fee was charged. I reached out to them and have not heard back from them.

Thanks for your consideration in this matter. If you have any questions, please contact me at 303-200-0584.

Pam Feely, CPA, MBA