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SALES AND USE TAX SIMPLIFICATION TASK FORCE

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Colorado's system of local collection of sales and use tax by home rule municipalities can be cumbersome and difficult for multijurisdictional merchants. In 2017, the Colorado General Assembly passed a bill creating the Sales and Use Tax Simplification Task Force (Task Force) in order to study solutions to these issues.

Presentations to the Task Force have addressed the Standard Sales Tax Definitions Project, undertaken by the Colorado Municipal League (CML) in 2014 after the Colorado General Assembly adopted Senate Joint Resolution 14-038, which asked CML to work with its members to develop a package of uniform definitions recommended for adoption by all home rule, locally collecting municipalities. Since 2014, 14 out of 70 locally collecting home rule municipalities have adopted the uniform definitions.

The state, local governments, and businesses alike agree that standardized definitions of the goods or services subject to sales or use tax and the goods or services exempted from sales or use tax (known as the "sales and use tax base") would improve Colorado's business environment.

The Sales and Use Tax Simplification Task Force strongly agrees and urges all municipalities that have not yet adopted the Sales Tax Simplification Model Ordinance to consider the benefits of standardized sales tax definitions to your locally collecting city or town, as well as your resident and multijurisdictional businesses that work hard to collect your sales tax. No new tax will be levied and no increase in tax revenue is expected when you adopt the Model Ordinance because the definitions were drafted to reflect current tax practices. The Task Force strongly supports simplification efforts originating at the local level.

Sincerely,

Representative Tracy Kraft-Tharp, HD 29
Chair, Sales and Use Tax Simplification Task Force