

PLEASE SUPPORT HB23-1017

Electronic Sales & Use Tax Simplification System

Rep. Kipp & Bockenfeld and Senator Bridges & Van Winkle

Concerning improvements to the electronic sales and use tax simplification system

Recommended by the **Legislative Sales & Use Tax Simplification Task Force**, which was established by HB17-1216 and has successfully driven the policy conversation toward simplification of the complex sales & use tax system in Colorado over the last 6 years.

Why Support HB23-1017

As part of an effort to simplify the sales and use tax system, the department of revenue (department) created the electronic sales and use tax simplification system (SUTS), which is a one-stop portal designed to facilitate the collection and remittance of sales and use tax.

Summary of HB23-1017

As soon as possible, but no later than January 1, 2025, the bill requires the department to modify SUTS to:

- ✓ Notify a local taxing jurisdiction when there has been a change in an account's attributes or when an account has been closed;
- ✓ Populate a local account number on all returns and summary reports, if the retailer filing the return has a number and provides the number in SUTS;
- ✓ Ensure that the missing license tool is working properly;
- ✓ Facilitate the automation of the filing process;
- ✓ Develop a simplified spreadsheet filing system or a filing option that does not use a spreadsheet;
- ✓ Provide taxpayers with a bulk testing option for address files;
- ✓ Create a simplified process for filing a zero return; and
- ✓ Include additional use taxes, retail delivery fees, additional information about deductions, filtering options, and certain tabs.

The bill permits the department to modify SUTS to:

- ✓ Require retailers to register with a local taxing jurisdiction in which taxes are due before using SUTS; and
- ✓ Prohibit a retailer from filing a return in SUTS unless the retailer has the correct local number on the account.

With the exception of charges for payments by credit cards, the bill prohibits the department from imposing a convenience fee or any other type of charge for a payment through SUTS and from passing those charges on to local taxing jurisdictions.

The bill also requires the department to:

- ✓ Create a campaign to promote SUTS for the purpose of increasing the awareness, participation, and compliance by retailers and local taxing jurisdictions; and
- ✓ Solicit and consider feedback from interested stakeholders about enhancements to SUTS that lead to greater local taxing jurisdiction participation and greater compliance by retailers.



For more information visit: www.simplifycosalestax.com

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About the Coalition to Simplify Colorado Sales Tax:

It's no secret that Colorado has one of the most complicated sales tax systems in the nation. In fact, just a few short years ago, Colorado received a "D" rating from the Council on State Taxation. The abysmal rankings are a result of a confusing and cumbersome patchwork of 756 geographic areas with different sales tax rates and bases. Perhaps more importantly, the complicated system has put a significant burden on businesses around the state. The ***Simplify Colorado Sales Tax*** coalition was formed to address these challenges.

About Our Coalition

Simplify is a non-partisan coalition of businesses, trade organizations, and other interested taxpayers with a mission to reform Colorado's excessively complex sales and use tax system and promote legislation and rules with multiple goals, including:

- Fairness, simplicity, and predictability for businesses
- Revenue neutrality to avoid adverse impacts on local and state public services
- Creating a competitive economic environment in Colorado that will attract employers

Our Leadership

Our leadership includes a wide variety of businesses and people. The current board represents over 8,400 businesses across Colorado as well as the CPA Society with 8,500 members.

Simplify Board of Directors Organizations:

- American Furniture Warehouse
- Associated General Contractors of Colorado
- Associated Landscape Contractors of Colorado
- Automated Business Products
- Colorado Automobile Dealers Association (CADA)
- Colorado Society of CPAs
- Expedia Group
- Holcim
- Inukshuk Online
- Martin Marietta
- National Federation of Independent Businesses (NFIB)
- Rocky Mountain Mechanical Contractors Association (RMMCA)
- Rocky Mountain Regional Promotional Products Association
- Silverstein & Pomerantz
- SMACNA Colorado
- Summit Ford
- Tax Ops