



PLEASE SUPPORT SUTS Task Force SB24-024

Aligning Reporting Requirements Related to Remittance of a Local Lodging Tax

Senators Bridges & Van Winkle and Representatives Kipp & Taggart

Concerning the standardization of local lodging tax and aligning reporting requirements related to remittance of a local lodging tax with other local taxes.

Recommended unanimously by the ***Legislative Sales & Use Tax Simplification Task Force*** (task force), which was established by HB17-1216 and has successfully driven the policy conversation toward simplification of the complex sales and use tax system in Colorado over the last 7 years.

Background

County and special marketing district lodging taxes are collected at the state level, but other local lodging taxes are collected at the municipal level and can vary significantly across jurisdictions in scope, application and administration, making it extremely burdensome and increasingly unworkable for taxpayers.

Summary of SB24-024

The bill:

- ✓ Requires home rule taxing jurisdictions to apply the same standards to an accommodation's intermediary as to other marketplace facilitators that are obligated to collect and remit a local tax.
- ✓ Prohibits local taxing jurisdictions from requiring additional reporting information from an accommodation's intermediary (i.e., tourism trends, supplier information, data unrelated to tax or a transaction, etc.).
- ✓ Does *not* prohibit local jurisdictions from auditing accommodations' intermediaries or otherwise regulating marketplaces.

Why Support SB24-024

It is critical for taxpayers to have consistency in reporting requirements related to Colorado's sales and use tax system, including local lodging taxes imposed by local governments. To that end, this bill will:

- ✓ Provide uniformity across home rule taxing jurisdictions to promote accurate compliance with the collection and remittance of local lodging taxes.
- ✓ Bring home rule municipalities more in line with tax requirements for statutory cities and counties.
- ✓ Standardize reporting requirements to promote uniform and consistent treatment among taxpayers and avoid unnecessary constitutional and legal complications.



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 Technologies
- Colorado Automobile Dealers Association
- Colorado Cable Telecommunications Association
- Colorado Society of CPAs
- Expedia Group
- Martin Marietta
- National Federation of Independent Businesses
- Rocky Mountain Mechanical Contractors Association
- Silverstein & Pomerantz
- SMACNA Colorado
- Summit Brick Company
- Summit Ford
- Tax Ops