



## **PLEASE SUPPORT SUTS Task Force SB24-023**

### **Hold Harmless For Error In GIS Database Data**

**Senator Van Winkle & Bridges**

**Representative Kipp & Taggart**

**Concerning the requirement that local taxing jurisdictions hold harmless vendors who rely on erroneous data in certain electronic systems related to sales and use tax that are managed by the department of revenue.**

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 7 years.

### **Background...**

To further the General Assembly's goal to address the complex and cumbersome nature of Colorado's unique state and local sales tax system, the task force has overseen the implementation of an electronic sales and use tax simplification system (SUTS), and it includes the department of revenue's GIS database, which is provided to vendors, businesses and made publicly available to determine the jurisdictions to which tax is owed and calculate appropriate sales and use tax rates for individual addresses.

SUTS and the GIS database are designed, among other things, to assist businesses operating in multiple taxing jurisdictions in Colorado by providing them with a single, reliable source of sales and use tax information for different taxing jurisdictions, including any county, city and county, or municipality governed by a home rule charter. While the sales and use tax bases and rates of the jurisdictions and boundaries are subject to change over time, SUTS was specifically designed in anticipation of such changes.

### **Summary of SB24-023**

The bill establishes that any vendor or business that relies on the information in the GIS database to determine the local taxing jurisdictions to which tax is owed is held harmless in an audit by a local taxing jurisdiction for an underpayment of tax, charge, or fee liability that results solely from an error or omission in the GIS database data.

### **Why Support SB24-023**

It is important that SUTS, including the GIS database, continues to serve and evolve as an effective simplification tool upon which businesses can rely in navigating Colorado's unique and complex sales and use tax system. To that end, this bill will:

- ✓ Create more certainty for businesses that rely on the SUTS & GIS data
- ✓ Decrease filing complexity
- ✓ Make audits of retailers more uniform for all taxing jurisdictions
- ✓ Help streamline and reduce administrative burdens
- ✓ Encourage more businesses to begin or continue to operate across multiple taxing jurisdictions



# 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