

## LEGISLATIVE UPDATE

### **SIMPLIFY COLORADO SALES TAX COALITION: HB 18-1022 PASSES HOUSE - Department of Revenue Issue Sales Tax Request for Information**

In January, 2015, The Coalition to Simplify Colorado Sales & Use Tax Coalition was established a coalition by a group of small business leaders, business organizations and businesses. Simplify CO is dedicated to reforms that will create a simple, fair and predictable sales and use tax system in Colorado. Simplify CO seeks to simplify the state's overly complex sales and use tax system, which puts a nearly impossible burden on businesses—especially those that work across local jurisdictions.



The coalition is now spearheading [HB18-1022](#) authorizing the Department of Revenue to issue a request for information for an electronic sales and use tax simplification system. This proposal is recommended by the Legislative Sales and Use Tax Simplification Task Force that was created by HB16-1216, and is intended to simplify certain administrative details of the state and local sale tax system which could be piloted on an elective basis.

**The electronic sales and use tax simplification system must provide:**

- Accurate address location information for a retailer to determine the correct taxing jurisdiction
- A single application process for both state and local sales tax licenses
- A uniform sales and use tax remittance form
- A single point of remittance for state and local sales and use tax and
- A taxability or exemption matrix

Access to data for the purposes of auditing a taxpayer or revenue projection reconciliation must be available.

**The RFI process must:**

- Identify initial and annual costs of an electronic sales and use tax simplification system
- Explanation of interface with existing retailer and government accounting systems
- Allow for various payment options to pay for development or implementation of system
- Anticipate the changing sales and use tax rates and maintain a record of the changes and the effective dates of such changes and
- Anticipate the changing jurisdictional boundaries and maintain a record of the changes and the effective dates of such changes

**The RFI respondent shall not anticipate a taxing authority will:**

- Adjust their sales and use tax base or rate
- Adopt uniform definitions or
- Unify their audit authority and process in any fashion

HB18-1022 passed the House 62-1 (2 excused) and passed the Senate 35-0.

*Making these reforms a priority of elected officials will take dedicated, grassroots efforts by businesses of all sizes and industries across the state. Register as a supporter to receive updates, or submit a story of your own experience that demonstrates the complexity of sales/use taxes in Colorado: [www.simplifycosalestax.org](http://www.simplifycosalestax.org) or contact the coalition at [info@simplicofcosalestax.org](mailto:info@simplicofcosalestax.org)*