



SENATE JOINT RESOLUTION 14-038

BY SENATOR(S) Steadman and Harvey, Newell, Ulibarri;
also REPRESENTATIVE(S) Kagan and Conti, Becker, Court, Fields,
Gardner, Hamner, Holbert, Hullinghorst, Joshi, Labuda, May, McCann,
Melton, Pettersen, Primavera, Ryden, Schafer, Singer, Tyler, Williams,
Wright, Young, Ferrandino.

CONCERNING UNIFORM SALES AND USE TAX DEFINITIONS
FOR HOME RULE MUNICIPALITIES THAT LOCALLY COLLECT
THEIR SALES AND USE TAXES.

WHEREAS, Colorado's system of local collection of sales and use tax
by home rule municipalities can be cumbersome and difficult for
multijurisdictional merchants; and

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

WHEREAS, The use of different definitions including varying tax
guidance regarding the different definitions among all taxing jurisdictions
creates confusion for taxpayers and needless audit exposure for
businesses; and

WHEREAS, Standardization of definitions for the sales and use tax
base was recommended in the report prepared by the department of
revenue titled "Uniform Sales and Use Tax Base Throughout the State"
dated December 15, 2013; and

WHEREAS, Standardization of definitions is something that ought to
be accomplished without causing a major revenue loss to taxing

jurisdictions or a revenue increase that necessitates voter approval as required in section 20 of article X of the state constitution; and

WHEREAS, In 1992, Colorado's home rule municipalities that locally collect their sales and use tax adopted a package of standardized definitions that the municipalities themselves had developed, under the aegis of the Colorado Municipal League, and in cooperation with the business community; and

WHEREAS, The 1992 effort did not include a mechanism to maintain standardization of definitions over time, nor did that effort anticipate the practical effect of varying tax guidance among taxing jurisdictions on continued standardization of definitions; now, therefore,

Be It Resolved by the Senate of the Sixty-ninth General Assembly of the State of Colorado, the House of Representatives concurring herein:

(1) The standardization of definitions used by Colorado taxing jurisdictions to define their sales and use tax base is in the public interest and serves to improve Colorado's business environment;

(2) The General Assembly urges Colorado's home rule municipalities that locally collect their sales taxes to work together once again, through the Colorado Municipal League, on a package of uniform definitions recommended for adoption by all home rule, locally collecting municipalities;

(3) The General Assembly further urges that such definitions be developed so that they may be utilized by Colorado municipalities without either significant adverse fiscal impact or voter approval as required in section 20 of article X of the state constitution;

(4) The General Assembly also requests the municipalities to develop among themselves a mechanism for maintaining standardization of the uniform definitions over time;

(5) The General Assembly further requests the municipalities to develop among themselves a coordinated system for issuance of non-judicial guidance regarding the scope or interpretation of such definitions, in order to avoid disparate local tax guidance from interfering

with uniform application of tax definitions;

(6) The General Assembly further requests that the municipalities consider adopting definitions existing in the state's sales and use tax statutes, including interpretations of those definitions found in rules promulgated by the Department of Revenue, where such state and municipality uniformity may be achieved consistent with the objective of revenue neutrality;

(7) The General Assembly further requests that these important undertakings include opportunities for input and consultation with the business community, insofar as retail business is government's partner in collecting this critical tax; and

(8) The General Assembly urges home rule municipalities that locally collect their sales taxes to begin adopting and utilizing a system of standardized definitions and guidance by August 2016.

Be It Further Resolved, That copies of this Joint Resolution be sent to the Colorado Municipal League; the Department of Revenue; the Colorado Association of Commerce and Industry; and the Colorado Retail Council.

Morgan Carroll
PRESIDENT OF
THE SENATE

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

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SECRETARY OF
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