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November 26, 2018

Colorado Department of Revenue  
1375 Sherman Street  
Denver, CO 80203

To Whom it May Concern,

On behalf of the Colorado Nursery & Greenhouse Association (CNGA) Board of Directors and members, I am writing today to strongly encourage the Colorado Department of Revenue, Taxation Division to remove the changes requiring businesses to pay taxes on the point of delivery. CNGA is a non-profit trade association that represents nearly 300 retail and wholesale nursery and greenhouse operators, retail garden centers, academic institutions, government agencies and related companies serving the nursery and greenhouse industry.

The proposed changes to the tax law would be a detriment to the small businesses and owners within our industry. The work required to properly identify correct city, county, and special districts for each point of delivery would be nearly impossible. Some members would experience over 600 possible tax combinations as they ship across the state of Colorado. For a small business, employees who work in the office often do many different jobs. In many cases, it would take a full-time person to process taxes in an accurate manner. Our small business members cannot afford to pay an individual full-time to figure out the various tax combinations and submit them correctly.

Software that assists in identifying the appropriate taxes to be paid is expensive and would be burdensome for our industry businesses to pay for. Not only does this add a business expense, it also requires integration with current invoicing software. As one of our member states, "My staff would have to invoice each customer by hand to ensure the proper tax is paid on each delivery." During the height of the busy season (March-August) our members are creating thousands of invoices in a few short months and handling each invoice on an individual basis is not a possibility. During the other months of the year, invoices are still being sent out, just not in the large volume of the busy season.

The proposed change will significantly hurt the green industry small businesses and will have an impact on the economy in Colorado. As of our most recent economic impact study in 2015, the nursery, greenhouse and garden center industries in Colorado contribute more than \$598.3M. That number has increased significantly due to the rapidly expanding economy over the past few years. Currently, our members are making difficult decisions about their business due to a labor shortage and a regulation that forces additional cost will limit the growth of green industry businesses.

We strongly encourage the Taxation Division to remove tax payment at the point of delivery instead of point of sale from the Colorado Tax Law.

Sincerely,

A handwritten signature in black ink, appearing to read "Allison Gault", with a stylized flourish at the end.

Allison Gault, CAE, MBA  
Executive Director