



COLORADO CHAMBER OF COMMERCE

Colorado Chamber Tax Council Ideas for Sales & Use Tax Simplification Task Force

Streamlined Reporting to DOR:

- We recommend that the Department of Revenue (DOR) allow actual physical locations to report their separate sales through a separate tax return and implement a standard state tax return format for all other filings.

Example: Create a tax return allowing a business to report each jurisdiction its total tax owed without having to register for collection of each local jurisdiction. Therefore, all CO sales would be reported on one line (RTD, counties, cities).

- We also recommend eliminating the requirement by DOR for taxpayers to use branch ID reporting which is administratively burdensome for taxpayers and to eliminate the DOR's recent filing requirement that results in \$0 returns being prepared for every nonphysical location set-up though locations where taxable sales are entered.

Vehicle Registration Taxation Review:

- The system for charging tax by vendors and collection of tax by counties is one area where a significant amount of difficulty and opacity exists. We recommend that the Task Force review the current system as configured and explore options for further simplification.

Increase Filing Threshold Amount:

- We recommend increasing the filing threshold amount for monthly filings to the Department of Revenue to \$3,000. This would reduce the number of filings required of a taxpayer each year.

Alignment with Streamlined Sales Tax Project:

- We recommend that the State align further with the SSTOP in the areas of sales and use tax definitions, and alignment of the tax base where possible.

Isolated or Occasional Sale Exemption:

- Colorado is one of the few states that does not have an isolated or occasional sale exemption when a taxpayer chooses to sell their business in an asset sale.

Example: An original company bought the business assets to run his/her business and the tax was paid on those assets. If that person chooses to sell their business through an asset sale, a sales tax is charged again on the same assets to the new owner.

- Several other states have an occasional or isolated sale exemption that would apply in these situations but Colorado does not. We recommend the Task Force consider this idea.