

Fact Sheet on Lambert/Scheffel Business Personal Property Tax Bill (HB09-1068)

- Elimination of Colorado BPPT has been high priority on the pro-business agenda of NFIB and CACI
 - BPPT is anti-business and anti-growth tax
 - *BPPT makes Colorado less competitive*
 - BPPT is difficult and expensive business and governments to administer
 - High “harassment” levels on both small and large businesses
 - *BPPT is especially damaging to the economy during a recession*
- Eliminating the BPPT is likely to increase net state revenues by lowering the cost of Colorado products, attracting more businesses and business headquarters to Colorado, and bringing more money and jobs (and thereby more state revenue) into Colorado
- HB09-1068 directly targets BPPT taxes on Colorado exports that make Colorado less competitive in interstate and international trade
 - Current BPPT *acts like an export tariff against our own Colorado products*
 - Reduces BPPT only on products and services being sold outside Colorado
 - Similar in concept to HB08-1261 Flyaway Sales Tax Exception for Aircraft (Buescher) that eliminated sales tax on products being sent out of Colorado
 - Will help eliminate price disadvantages of Colorado products
- HB09-1068 establishes credit for every business selling out-of-state products/services
 - Based on percentage of out-of-state sales
- HB09-1068 backfills local governments through state General Fund
 - Creates cash fund for local backfills
 - First year of BPPT credit triggered ONLY when revenues exceed 6% limit
 - Increased ONLY during years when revenues exceed 6% limit
 - Local backfill increases by approximately \$5 million per year