



The Streamlined Sales Tax Project was organized by states to simplify sales tax administration across state lines. Part of this simplification is to adopt common definitions. different categories of goods and services have been defined and are used when determining what is taxable. The Streamlined Sales Tax definitions have been adopted in 24 other states.

**State Expenditures**

If voters approve this measure, the Department of Revenue will require **\$61,688 and 0.8 FTE in 2016-17 and \$196,881 and 3.0 FTE in FY 2017-18.**

<b>Table 1. Expenditures Under HCR 15-1004</b>			
<b>Cost Components</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
Personal Services		\$41,848	\$155,963
FTE		0.8 FTE	3.0 FTE
Operating Expenses and Capital Outlay Costs		9,786	1,900
Centrally Appropriated Costs*		10,054	39,018
<b>TOTAL</b>	<b>\$0</b>	<b>\$71,742</b>	<b>\$235,899</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Assumptions.** If approved by voters, the Colorado Commission on Uniform Sales and Use Tax Definitions will be created. The commission will adopt uniform sales and use tax definitions and provide guidance regarding those definitions. The Governor is required to appoint seven members to the commission by February 16, 2017. The Department of Revenue will provide staff support for the commission. The Department of Revenue staff will perform the necessary legal research, revenue impact analysis to insure revenue neutrality, and serve as a point of contact for members of the commission. This will require 3.0 FTE. The FY 2016-17 expenditure and FTE figures are for a partial year because the commission will not begin their work until February 2017.

**Election expenditure impact (existing appropriations).** The bill creates a referred measure that will appear before voters at the November 2016 general election. Although no additional appropriation is required in this bill to cover election costs associated with this ballot measure, certain election costs to the state are appropriated as part of the regular budget process. First, state law requires that the state reimburse counties for costs incurred conducting a ballot measure election paid from the Department of State Cash Fund. Second, the text and title of the measure must be published in one legal newspaper per county and an analysis of the measure must be included in the Ballot Information Booklet (Blue Book) mailed to all registered voter households prior to the election paid from the Ballot Analysis Revolving Fund. Table 2 below identifies the anticipated costs for a single statewide ballot measure election in 2016.

<b>Table 2. Projected Costs of a Single Statewide Ballot Measure Election in 2015</b>	
<b>Cost Component</b>	<b>Amount</b>
County Reimbursement for Statewide Ballot Measures	\$2,400,000
Ballot Information Booklet (Blue Book) & Newspaper Publication	\$670,000
<b>TOTAL</b>	<b>\$3,070,000</b>

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

<b>Table 3. Centrally Appropriated Costs Under HCR 15-1004*</b>		
<b>Cost Components</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$6,434	\$24,124
Supplemental Employee Retirement Payments	3,620	14,894
<b>TOTAL</b>	<b>\$10,054</b>	<b>\$39,018</b>

\*More information is available at: <http://colorado.gov/fiscalnotes>

### **Local Government Impact**

If approved by voters, this bill will change the sales and use tax definitions used by local governments to define what is taxable and what is not. However, the measure specifically allows local taxing jurisdictions to adjust their tax rate without voter approval, so that the new definitions have the potential to be revenue neutral.

### **Effective Date**

The concurrent resolution takes effect after the date of the official declaration of the vote by proclamation of the Governor, not later than 30 days after the votes have been canvassed. The commission must recommend definitions before January 1, 2018.

### **State and Local Government Contacts**

Revenue  
Municipalities

Secretary of State  
County Clerks

Counties