

HB 12-1037



BUILDING A STRONG PARTNERSHIP WITH COLORADO'S CITIES AND TOWNS

To: Members of the Senate Agriculture, Natural Resources & Energy Committee
From: Geoff Wilson, General Counsel
Date: April 19, 2012
Subject: HB 12-1037 — Mandated local tax break for pesticides

HB 12-1037 — YOUR OPPOSITION RESPECTFULLY REQUESTED

In a nutshell

Right now, local elected officials get to decide whether the local budget can afford a sales tax break on registered pesticides. HB12-1037 would change all that. Under HB 12-1037, the central government in Denver would substitute its judgment for that of local elected officials, and impose this tax break on local budgets across Colorado, regardless of the local fiscal impact.

Background

Years ago, when the General Assembly decided to grant an exemption for pesticides from the State sales tax, legislators made the exemption a local option, in recognition of its potential impact on local budgets. This was a wise decision by the General Assembly, one that recognized that it is local elected officials that must make the hard decisions between scarce revenues and community needs. Although the Appropriations Committees decided that the State general fund could afford this tax break in the year of its enactment, the General Assembly, respecting local government, did not presume to make the same assumption about all the local budgets across Colorado.

This isn't about whether you support agriculture

Most Colorado municipalities in the rural, agricultural parts of our state have a close relationship with agriculture that goes back well over a century. Yet Dept. of Revenue data indicates that most small towns have not exempted registered pesticides. Any suggestion that this reflects some sort of hostility to agriculture on the part of these rural towns is simply ludicrous. There is no "problem" here that the General Assembly needs to solve. If a town has not adopted this exemption, it's probably because either (1) nobody has proposed it, or (2) it has been proposed, and the local government has decided that they can't afford it (just like what happens to tax break bills every year in the Appropriations committees of the General Assembly).

The General Assembly already got this right. CML respectfully urges your "NO" vote on HB 12-1037.

HB 12-1037 — YOUR "NO" VOTE RESPECTFULLY REQUESTED