

Standard Definitions Stakeholder Process

The Sales Tax Simplification Committee is comprised of one representative from each of the 69 self-collecting home rule municipalities.

Internal Process

For the Standard Definitions project, nominations and volunteers for the Standard Definitions Steering Committee were made from the membership of the Sales Tax Simplification Committee. The Steering Committee worked intensively, meeting at least monthly for four or more hours each time to comprise a draft for review by internal stakeholders (69 self-collecting municipalities and select city attorneys) and external stakeholders.

In addition, subcommittees were formed to advise the Steering Committee on specific definitions: Wholesale Sales, Software/Telecom, Charitable Organizations, Lodging, Food, Price or Purchase Price & Gross Sales, Software, and Medical definitions.

External Process

Once the Steering Committee reached consensus on or completed a working draft for comment, the package of definitions was circulated for internal and external review.

The draft definitions were sent to representatives from the following external parties:

- Municipal tax practitioners,
- Municipal attorneys,
- Colorado Association of Commerce and Industry,
- Colorado Retail Council, and
- Simplify Colorado Sales Tax.

External stakeholders' questions and Steering Committee answers are summarized here:

- Q: Should the draft definition "Lodging Services" inclusive of provisions that short-term rental brokers or sharing economy renters must collect and remit lodging tax wait until after pending litigation of the question? A: We should go forward with the 1992 definition of lodging, excluding the "lodging services" and revisit in the future after a final interpretation is made by the courts.
- Q: Should draft definitions of "Telecommunications Service" and "Internet Access Services" (and related terms) be included, considering open challenges to the imposition of tax under the federal Internet Tax Freedom Act? A: We should go forward with the definitions, excluding these definitions and revisit in the future after a final interpretation is made by the courts. We don't want to change the definition of "Internet Access Services" in the midst of current legal challenges.
- Q: Are the definitions of software and related terms intended to change the taxability of these activities? A: The definitions are intended to be revenue neutral.

Final Draft Review

All final comments submitted by the Sales Tax Simplification Committee as a whole and external stakeholders on the draft definitions packaged were discussed at a two day meeting (with a remote participation option) at CML on February 22 and 23, 2016. Afterwards, the package of 106 definitions was considered “final” from a technical standpoint.

The next steps are for each self-collecting municipality to continue to assess whether these definitions may be adopted to the benefit of the town or city, within the context of the consensus drafting process and the long-standing relationship with the business community.

Meeting Schedule

1/23/2015:	Steering Committee Meeting – Kick-Off meeting
2/27/2015:	Steering Committee Meeting
3/13/2015:	Steering Committee Meeting
4/8/2015:	Steering Committee Meeting
4/30/2015:	Steering Committee Meeting
5/19/2015:	Steering Committee Meeting
8/21/2015:	Steering Committee Meeting
8/25/2015:	Webinar – Project Briefing for Municipal Attorneys (& other interested persons)
10/29/2015:	Meeting with City Attorneys on Draft
10/30/2015:	Sales Tax Simplification Committee meeting
11/19/2015:	External Stakeholders Initial Discussion of Draft
12/17/2015:	External Stakeholders Follow-up Discussion
2/22/16 to 2/23/2016:	Sales Tax Simplification Committee – draft comments, afterwards final
7/14/2016:	Sales Tax Simplification Committee meeting
12/1/2016:	Final CML Internal Stakeholder meeting for Finance Directors
12/7/2016:	Sales Tax Simplification meeting