



Standardization...that's what we've been up to

by Rachel Allen, staff attorney

Our system is widely described as among the most complex in the nation...

- We recognize that
 - (a) our members depend on a vital retail sector in their municipalities and
 - (b) business is our *partner* in collecting this tax
- CML has worked with the business community over the past 30 years on various projects to simplify our tax system.
- CML's position has been that we recognize the system is complicated and we are interested in doing what we can do to make it simpler, so long as these changes don't interfere with our revenues or subject us to interference by the General Assembly.

2 BIG Projects

- Standard Affidavit of Exempt Sale
 - what an exempt purchaser shows a cashier at the time of sale
- Standardized Definitions

King Soopers & Safeway came calling about 2 years ago...

- then CO Nonprofit Assoc hopped on the band wagon
- Standard Affidavit of Exempt Sale is the product of this conversation
- Same form for charitable, nonprofit & religious purchases that are tax exempt across the 69 locally collecting home rule jurisdictions

Move to the head of the class

- Many thanks to the dream team Rachel, Bruce, Tracy, Karen, Kathy & Leslie who worked together to create this documentation
- Because an A just isn't good enough, we included wholesale & government purchases
- It looks a lot like the state form + anything else a jurisdiction required



Standard Municipal Home Rule Affidavit of Exempt Sale

This form is required by home rule municipalities within the State of Colorado for any transaction on which an exemption from sales and use tax is claimed. The seller is required to maintain a completed form for each tax-exempt sale.

Furnish this form to the seller. Do not return this form to the taxing jurisdiction.



Standard Municipal Home Rule Affidavit of Exempt Sale

These instructions are specific to the jurisdiction in which this purchase has been made. Qualifying for an exemption may be different for each jurisdiction, and these instructions are not intended to set forth the requirements of any jurisdiction other than the one indicated.

Purchase Details	<input type="checkbox"/> PURCHASE FOR RESALE - OR - <input type="checkbox"/> PURCHASE FOR WHOLESALE (QUALIFICATIONS MAY VARY BY JURISDICTION - SEE INSTRUCTIONS) STATE LICENSE NUMBER (NOT FEIN NUMBER): _____ EXPIRATION: _____ LOCAL LICENSE NUMBER (IF APPLICABLE): _____ ISSUING MUNICIPALITY: _____ <input type="checkbox"/> I AFFIRM ITEMS PURCHASED ARE FOR RESALE/WHOLESALE IN THE ORDINARY COURSE OF BUSINESS. INITIAL: _____				
	<input type="checkbox"/> PURCHASE BY RELIGIOUS OR CHARITABLE ORGANIZATION (EXEMPTIONS MAY VARY BY JURISDICTION) STATE TAX EXEMPT NUMBER (NOT FEIN NUMBER): _____ LOCAL TAX EXEMPT NUMBER (IF APPLICABLE): _____ ISSUING MUNICIPALITY: _____ PAYMENT INFORMATION (REQUIRED TO MEET ONE OF THE FOLLOWING): <input type="checkbox"/> PAID BY CASH AND ACCOMPANIED BY A PURCHASE ORDER FROM THE ORGANIZATION <input type="checkbox"/> PAID BY CHECK DRAWN ON FUNDS OF THE EXEMPT ORGANIZATION <input type="checkbox"/> PAID BY PURCHASING CARD BEARING INFORMATION OF THE EXEMPT ORGANIZATION THE EMBOSSED NAME OF THE CARD IS: _____ <input type="checkbox"/> PAID BY COMMERCIAL CARD NOT A PERSONAL CREDIT CARD - CARD'S LAST FOUR DIGITS: _____				
	<input type="checkbox"/> PURCHASE BY FEDERAL, STATE, OR LOCAL GOVERNMENT CREDIT CARD NUMBER (FIRST SIX AND LAST FOUR ONLY): _____ XX-XXXX-_____ FEDERAL GOVERNMENT (PAYMENT INFORMATION - REQUIRED TO MEET ONE OF THE FOLLOWING): <input type="checkbox"/> GSA SMARTPAY2 CARD - FLEET CARD WITH PICTURE OF A ROAD AND FLAG <input type="checkbox"/> GSA SMARTPAY2 CARD - PURCHASE CARD WITH PICTURE OF A KEYBOARD AND FLAG <input type="checkbox"/> GSA SMARTPAY2 CARD - TRAVEL CARD WITH PICTURE OF AN AIRPLANE AND FLAG <input type="checkbox"/> GSA SMARTPAY2 CARD - INTEGRATED CARD WITH PICTURE OF AN EAGLE AND FLAG <input type="checkbox"/> DEPT OF INTERIOR AGENCY ISSUED CARD - AGENCY NAME: _____ STATE AND LOCAL GOVERNMENT (PAYMENT INFORMATION - REQUIRED TO MEET ONE OF THE FOLLOWING): <input type="checkbox"/> PAID BY CASH AND ACCOMPANIED BY PURCHASE ORDER ISSUED BY THE GOVERNMENT AGENCY <input type="checkbox"/> PAID BY CHECK ISSUED BY AND DRAWN ON FUNDS FROM THE GOVERNMENT AGENCY <input type="checkbox"/> PAID BY GOVERNMENT PURCHASE CARD AS DESIGNATED ON THE CARD STATE TAX EXEMPT NUMBER PRINTED ON THE CARD (COLORADO ONLY): _____ <input type="checkbox"/> CHECK IF THE CARD STATES "FOR OFFICIAL STATE USE ONLY" OR "TAX EXEMPT"				
<input type="checkbox"/> PURCHASE BY FOREIGN AND DIPLOMATIC EXEMPTIONS (REQUIRED TO MEET THE FOLLOWING): <input type="checkbox"/> PURCHASER PRESENTS A STATE DEPARTMENT ISSUED CARD WITH THE NAME/PHOTO OF THE BEARER ON THE CARD. IF PRESENTED WITH THIS CARD, DOCUMENTATION OF FORM OF PAYMENT IS NOT REQUIRED (EXCLUDING MISSION CARD).					
<input type="checkbox"/> OTHER QUALIFIED EXEMPTION NATURE OF EXEMPTION: _____ EXEMPT NUMBER: _____					
Purchaser Information	LEGAL NAME OF COMPANY/ORGANIZATION/AGENCY NAME		PURCHASER NAME (PRINTED)		
	ADDRESS		CITY	STATE	ZIP + 4
	PHONE	STATE / DRIVERS LICENSE #	DESCRIPTION OF NORMAL COURSE OF BUSINESS		
Under penalty of perjury, I swear or affirm that the information on this form is true and correct as to every material matter. I affirm that the items purchased tax-exempt will be used for official business of the above-named organization or agency. I accept that I remain directly liable for the taxes and any applicable penalty or interest if my purchase is found to not qualify for the exemption or if the information asserted in this form is deemed fraudulent.					
SIGNATURE _____ DATE _____					
Seller Verification	SELLER NAME	LOCATION #	DATE	TRANSACTION ID	EMPLOYEE ID# / INITIALS
	DESCRIPTION OF ITEMS PURCHASED OR ATTACH DUPLICATE RECEIPT/INVOICE				EXEMPTED AMOUNT OF PURCHASE

General Instructions	Purpose of Form This form is used to certify to sellers that a purchase qualifies for exemption under DRMC 53-26 & DRMC 53-97.
	Reminders Furnish to seller. This form should be furnished to the seller charging the tax. Do not send this form to the taxing jurisdiction. This form is not for organizations to request certification of their tax exempt status. Direct payment required. Purchases must be billed to and paid directly by the funds of the organization or agency in order to qualify for exemption. Payment in cash (without a purchase order) or by personal check or personal credit card disqualifies a purchase from exemption even if the purchaser is subsequently reimbursed. Purchases made on credit cards issued by the organization, but where the cardholder receives and pays the bill and is subsequently reimbursed, also do not qualify for exemption. Reimbursement disqualifies exemption. If the organization or agency will be reimbursed, in whole or in part, the purchase is disqualified from exemption. For example, the purchase of food for a banquet for which the organization sells tickets as a fundraiser would not qualify for exemption. Disputed tax must be collected. If there is a dispute between the purchaser and the seller as to whether tax applies, DRMC 53-42 and DRMC 53-110 require the seller to collect the tax. The seller should give the purchaser a receipt showing the tax collected. The purchaser may apply to the applicable municipality directly for a refund by filing a <i>Claim for Refund</i> form along with the appropriate documentation within 60 days of the date of the purchase. Signature required. The individual making the purchase must sign and date the form at the bottom. A separate affidavit is required for each transaction. General purchaser or store information may be completed in advance and kept on file by the seller or purchaser for ease of use.
	Purchase details. Identify the accurate qualified exemption reason and complete the required information for that exemption. Purchaser information. Print the legal name of the organization or agency. Governmental agencies should include both the name of the government and the department or agency, for example, US Department of Transportation, Colorado Department of Education, or Adams County Human Services. Abbreviations such as "Dept." are acceptable but <u>do not use acronyms</u> . List the organization's or agency's mailing address, municipality, state, and zip code. Declaration of affiant. The individual making the purchase on behalf of the exempt organization or agency (the affiant) must complete the declaration. Separate form required. A separate affidavit is required for each transaction. For ease of use, Purchase Details and Purchaser Information may be completed in advance and the partially completed form kept on file by the purchaser for completion at time of each transaction. Signature. You are swearing, under penalty of perjury, to the accuracy of the statements made in this affidavit. Carefully read and ensure that you understand each item before signing this affidavit. After reviewing the form for accuracy, sign and date the form. Furnish this form to the seller. Do not send a copy to the municipality.

Seller Instructions	Sellers have the burden of proving that a transaction was properly exempted. If an exemption is subsequently disallowed by the municipality, the seller could be liable for the tax plus penalties and interest. This form is provided to help the seller determine if a sale qualifies for exemption. The sale is not exempt from taxes simply because this affidavit is completed. The responsibility for proper collection of taxes remains with the seller. Sellers are encouraged to obtain this form for each transaction and complete all of the information in the lower Seller Verification section. Resale/Wholesale transactions - To qualify as an exempt purchase for resale or wholesale, the items purchased must be reasonably deemed to be for sale in the ordinary course of business of the purchaser. For resale/wholesale transactions the seller is required to not only collect the applicable license information, but to exercise sound judgment and a reasonable amount of skepticism to ensure the items purchased are reasonably for sale in the purchaser's ordinary course of business. For example, a restaurant would not be allowed to purchase dish soap for resale because restaurants do not sell dish soap in the ordinary course of business, but rather use the dish soap in the operation of the business. The affidavit needs to be completed in its entirety. Be sure information is complete, accurate and legible. Review the information, and particularly verify that the driver's license number and purchaser's name are correct. Also, be sure that the digits that are required from the credit cards are correct. <u>Only record and keep those digits from the credit card that the affidavit requires.</u> The signature of the purchaser should be the same as on the driver's license. Sellers should review guidance on accepting government credit cards. Not all cards qualify for exemption, even though they bear certain of the listed characteristics. Collection of this form does not provide a safe-harbor from disallowance by the municipality. Retain this form for at least 3 years.
	Constructions Materials - Please see Tax Rule No. 5 at www.denvergov.org/treasury . Contractors are deemed to be the end user of construction materials; there are no exempt construction jobs in Denver.
	CHARITABLE & RELIGIOUS ORGANIZATIONS - Denver does not issue exemption numbers for charitable or religious entities. Instead, when granted exemption, they are issued a "Letter of Exemption". A copy of this letter should be retained with this completed affidavit. For further reference, please see Denver Tax Guide No. 10 at www.denvergov.org/treasury . WHOLESALE/RESALE TRANSACTIONS - In order for a wholesale sale to be valid, the seller must exercise care and good faith to insure the product sold is of a type normally resold, leased, rented, or incorporated as an ingredient or component part of a product manufactured by the buyer and then resold in the usual course of business. <u>It is the seller's responsibility to collect sales tax on any questionable situations.</u> See Tax Guides No. 24, 56, & 88 at www.denvergov.org/treasury .



What's Different?

- Your logo
- Code references
- The last quadrant for jurisdiction specific instructions on the back
- Prepopulate info for internal use



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Instructions for Standard Municipal Home Rule Affidavit of Exempt Sale

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	<input type="checkbox"/> OTHER QUALIFIED EXEMPTION NATURE OF EXEMPTION: _____ EXEMPT NUMBER: _____				
	LEGAL NAME OF COMPANY/ORGANIZATION/AGENCY NAME		PURCHASER NAME (PRINTED)		
ADDRESS		CITY	STATE	ZIP + 4	
PHONE	STATE / DRIVERS LICENSE #	DESCRIPTION OF NORMAL COURSE OF BUSINESS			
Under penalty of perjury, I swear or affirm that the information on this form is true and correct as to every material matter. I affirm that the items purchased tax-exempt will be used for official business of the above-named organization or agency. I accept that I remain directly liable for the taxes and any applicable penalty or interest if my purchase is found to not qualify for the exemption or if the information asserted in this form is deemed fraudulent.					
SIGNATURE		DATE			
Seller Verification	SELLER NAME	LOCATION #	DATE	TRANSACTION ID	EMPLOYEE ID# / INITIALS
	DESCRIPTION OF ITEMS PURCHASED OR ATTACH DUPLICATE RECEIPT/INVOICE			EXEMPTED AMOUNT OF PURCHASE	

General Instructions	Purpose of Form This form is used to certify to sellers that a purchase qualifies for exemption under Thornton Municipal Code (TMC) Section 26-390.
	Reminders Furnish to seller. This form should be furnished to the seller charging the tax. Do not send this form to the taxing jurisdiction. This form is not for organizations to request certification of their tax exempt status. Direct payment required. Purchases must be billed to and paid directly by the funds of the organization or agency in order to qualify for exemption. Payment in cash (without a purchase order) or by personal check or personal credit card disqualifies a purchase from exemption even if the purchaser is subsequently reimbursed. Purchases made on credit cards issued by the organization, but where the cardholder receives and pays the bill and is subsequently reimbursed, also do not qualify for exemption. Reimbursement disqualifies exemption. If the organization or agency will be reimbursed, in whole or in part, the purchase is disqualified from exemption. For example, the purchase of food for a banquet for which the organization sells tickets as a fundraiser would not qualify for exemption. Disputed tax must be collected. If there is a dispute between the purchaser and the seller as to whether tax applies, TMC Section 26-389 requires the seller to collect the tax. The seller should give the purchaser a receipt showing the tax collected. The purchaser may apply to the applicable municipality directly for a refund by filing a Claim for Refund form along with the appropriate documentation within 80 days of the date of the purchase. Signature required. The individual making the purchase must sign and date the form at the bottom. A separate affidavit is required for each transaction. General purchaser or store information may be completed in advance and kept on file by the seller or purchaser for ease of use.
	Purchase details. Identify the accurate qualified exemption reason and complete the required information for that exemption. Purchaser information. Print the legal name of the organization or agency. Governmental agencies should include both the name of the government and the department or agency, for example, US Department of Transportation, Colorado Department of Education, or Adams County Human Services. Abbreviations such as "Dept." are acceptable but do not use acronyms. List the organization's or agency's mailing address, municipality, state, and zip code. Declaration of affiant. The individual making the purchase on behalf of the exempt organization or agency (the affiant) must complete the declaration. Separate form required. A separate affidavit is required for each transaction. For ease of use, Purchase Details and Purchaser Information may be completed in advance and the partially completed form kept on file by the purchaser for completion at time of each transaction. Signature. You are swearing, under penalty of perjury, to the accuracy of the statements made in this affidavit. Carefully read and ensure that you understand each item before signing this affidavit. After reviewing the form for accuracy, sign and date the form. Furnish this form to the seller. Do not send a copy to the municipality.

Seller Instructions	Sellers have the burden of proving that a transaction was properly exempted. If an exemption is subsequently disallowed by the municipality, you (the seller) could be liable for the tax plus penalties and interest. This form is provided to help you determine if a sale qualifies for exemption. The sale is not exempt from taxes simply because this affidavit is completed. The responsibility for proper collection of taxes remains with the seller. You are encouraged to obtain this form for each transaction and complete all of the information in the lower Seller Verification section. Resale/Wholesale transactions - To qualify as an exempt purchase for resale or wholesale, the items purchased must be reasonably deemed to be for sale in the ordinary course of business of the purchaser. For resale/wholesale transactions the seller is required to not only collect the applicable license information, but to exercise sound judgment and a reasonable amount of skepticism to ensure the items purchased are reasonably for sale in the purchaser's ordinary course of business. For example, a restaurant would not be allowed to purchase dish soap for resale because restaurants do not sell dish soap in the ordinary course of business, but rather use the dish soap in the operation of the business. The affidavit needs to be completed in its entirety. Be sure information is complete, accurate and legible. Review the information, and particularly verify that the driver's license number and purchaser's name are correct. Also, be sure that the digits that are required from the credit cards are correct. Only record and keep those digits from the credit card that the affidavit requires. The signature of the purchaser should be the same as on the driver's license. Sellers should review guidance on accepting government credit cards. Not all cards qualify for exemption, even though they bear certain of the listed characteristics. Collection of this form does not provide a safe-harbor from disallowance by the municipality. Retain this form for at least 3 years.
	Resale/Wholesale - The seller must obtain a copy of the purchaser's State of Colorado resale or wholesale license or license number. To qualify as a tax exempt resale/wholesale purchase the seller must exercise due care and good faith to ensure the item/service sold is of a type normally resold in the purchaser's usual course of business. When in doubt, it is the seller's responsibility to collect tax. Charitable/Religious - To make purchases that are exempt from City of Thornton tax, charitable/religious organizations that have a location within the City of Thornton must provide a copy of the City of Thornton tax exemption license or number to the seller. Charitable/religious organizations without a location within the City of Thornton but that make purchases from sellers located within the City must provide the seller with a copy of the State of Colorado tax exempt certificate or number. Government - The seller must obtain a copy of the purchaser's State of Colorado exemption certificate or certificate number. Government sales include sales to public schools. The City does not issue a separate license for government/school entities. Construction Materials - If a city tax has been prepaid on a building permit, building materials purchased for the permitted project will be exempt from City of Thornton tax. The seller must maintain a copy of the building permit. <i>For the full text of applicable definitions and exemptions refer to the Thornton Municipal Code Chapter 26. For assistance contact the Tax Division at 303-538-7400 or visit www.cityofthornton.net</i>

Purchaser Instructions	Purchase details. Identify the accurate qualified exemption reason and complete the required information for that exemption. Purchaser information. Print the legal name of the organization or agency. Governmental agencies should include both the name of the government and the department or agency, for example, US Department of Transportation, Colorado Department of Education, or Adams County Human Services. Abbreviations such as "Dept." are acceptable but do not use acronyms. List the organization's or agency's mailing address, municipality, state, and zip code. Declaration of affiant. The individual making the purchase on behalf of the exempt organization or agency (the affiant) must complete the declaration. Separate form required. A separate affidavit is required for each transaction. For ease of use, Purchase Details and Purchaser Information may be completed in advance and the partially completed form kept on file by the purchaser for completion at time of each transaction. Signature. You are swearing, under penalty of perjury, to the accuracy of the statements made in this affidavit. Carefully read and ensure that you understand each item before signing this affidavit. After reviewing the form for accuracy, sign and date the form. Furnish this form to the seller. Do not send a copy to the municipality.
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Jurisdiction Specific Instructions	Resale/Wholesale - The seller must obtain a copy of the purchaser's State of Colorado resale or wholesale license or license number. To qualify as a tax exempt resale/wholesale purchase the seller must exercise due care and good faith to ensure the item/service sold is of a type normally resold in the purchaser's usual course of business. When in doubt, it is the seller's responsibility to collect tax. Charitable/Religious - To make purchases that are exempt from City of Thornton tax, charitable/religious organizations that have a location within the City of Thornton must provide a copy of the City of Thornton tax exemption license or number to the seller. Charitable/religious organizations without a location within the City of Thornton but that make purchases from sellers located within the City must provide the seller with a copy of the State of Colorado tax exempt certificate or number. Government - The seller must obtain a copy of the purchaser's State of Colorado exemption certificate or certificate number. Government sales include sales to public schools. The City does not issue a separate license for government/school entities. Construction Materials - If a city tax has been prepaid on a building permit, building materials purchased for the permitted project will be exempt from City of Thornton tax. The seller must maintain a copy of the building permit. <i>For the full text of applicable definitions and exemptions refer to the Thornton Municipal Code Chapter 26. For assistance contact the Tax Division at 303-538-7400 or visit www.cityofthornton.net</i>
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Getting the word out



Media contact:
Lisa White, Membership Services Manager
CML
303-831-6411
lwhite@cml.org



Media contact:
Renny Fagan, President and CEO, Colorado
Nonprofit Association
(303) 813-4201 office, (303) 263-2698
rfagan@coloradononprofits.org

NEWS RELEASE

For immediate release

STANDARD EXEMPT PURCHASER DOCUMENTATION CREATED

January 20, 2015, Denver, CO –The Colorado Municipal League (CML) and the Colorado Nonprofit Association, in partnership with Safeway, King Soopers, and the State of Colorado, released a standardized exempt purchaser form to streamline the tax-exempt purchasing process across Colorado.

Known as the Standard Affidavit of Exempt Sale, this form allows charitable, religious, governmental, and non-profit organizations to easily and effectively make purchases. This document streamlines the process so that all of these entities in Colorado will be using the same form when making tax-exempt purchases thus reducing confusion and establishing constancy among cities and towns statewide.

"This standard form makes it easier for nonprofits across the state to comply with local sales tax rules, which will save time and administrative costs for nonprofits, retailers, and local governments," said Renny Fagan, President and CEO of Colorado Nonprofit Association. "We commend Colorado's municipalities and the Colorado Municipal League for working with nonprofits and retailers to create the Standard Affidavit of Exempt Sale."

Business partners are also excited about this improved process. Kris Staaf, Director of Public Affairs for Safeway, said, "A uniform tax-exempt purchasing form will ensure our non-profit customers experience a streamlined transaction at our stores. We truly appreciate CML's leadership and collaboration with Safeway in creating this much needed form,"

Kelli McGannon, Director of Public Affairs for King Soopers, agrees. "We appreciate CML's willingness to work with King Soopers to streamline the process for tax exempt purchases made in our stores. This approach will make it easier for everyone involved and allow us to continue our support of non-profits across the state."

CML is a nonprofit, nonpartisan organization established in 1923 and represents the interests of 267 cities and towns. For more information, visit www.cml.org or call 303-831-6411.

The Colorado Nonprofit Association leads, serves and strengthens Colorado's nonprofit community to improve the quality of life throughout our state. For more information, visit www.coloradononprofits.org or call 303-813-4201.

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Getting the word out & training your staff

STANDARDIZED EXEMPT PURCHASER FORM CREATED

CML AND THE COLORADO NONPROFIT Association, in partnership with Safeway and King Soopers, released a standardized exempt purchaser form to streamline the tax-exempt purchasing process in home rule municipalities across Colorado.

Known as the Standard Affidavit of Exempt Sale, this form allows charitable, religious, governmental, and nonprofit organizations to easily and effectively make purchases that are tax exempt. This document streamlines the process so that all of these entities in Colorado will be using the same form when making tax-exempt purchases, thus reducing confusion and establishing consistency among home rule municipalities statewide.

"This standard form makes it easier for nonprofits across the state to comply with local sales tax rules, which will save time and administrative costs for nonprofits, retailers, and local governments," said Renny Fagan, Colorado Nonprofit Association president and CEO. "We commend Colorado's municipalities and the Colorado Municipal League for working with nonprofits and retailers to create the Standard Affidavit of Exempt Sale."

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Kelli McGannon, King Soopers director of public affairs, agrees: "We appreciate the Colorado Municipal League's willingness to work with King Soopers to streamline the process for tax-exempt purchases made in our stores. This approach will make it easier for everyone involved and allow us to continue our support of nonprofits across the state."

Colorado's home rule municipalities that locally collect their sales tax not only helped to create the Standard Affidavit of Exempt Sale but also use the form as governmental organizations. The Town of Breckenridge recently provided training for staff on its use for municipal purchases. Leslie Fischer, Breckenridge tax auditor, explains, "It is crucial to take the steps needed to ensure that our own employees are trained to supply the proper exemption documentation, without any prompting from the business. As good stewards of local government, we have a responsibility to the business community to be familiar with our own code, comply with requirements, and lead by example. Assessing a business for tax on an undocumented government purchase that would otherwise have been exempted is tough to swallow and a preventable blunder."

Questions may be directed to Rachel Allen, CML staff attorney, at rallen@cml.org.

Additional Training

- Rachel Quintana, Thornton Revenue Manager, and Mark Turner, CO Nonprofit Asoc, will host a webinar
- What's the hold up? The State is having their forms standardization committee review it.

Standard Definitions

Renewed focus to our home rule tax system

- The pending Marketplace Fairness Act (MFA) in Congress (which CML supports) led to 2013 legislation aimed at positioning Colorado to take advantage of the MFA, should it pass.
- Ferrandino's bill HB13-1265, which CML also supported, provided for a uniform base, central collection and a single source of audits for "remote commerce" (mostly Internet and mail-order) merchants, as required by the MFA.

Renewed focus to our home rule tax system

- Rep. Kathleen Conti was pursuing a referred constitutional amendment to strip home rule municipalities of local collection authority, require use of a State and local “uniform tax base”, and eliminate local auditing authority.
- Conti’s proposal did not garner sufficient support to get out of committee (and so she did not introduce it), but the concept of a “uniform tax base” attracted enough support to result in passage of HB13-1288.

Uniform base idea went nowhere

- HB-1288 directs DOR to conduct a study of the uniform base idea and report back to the General Assembly by December 31, 2013.
- CML supported HB-1288 not because we think a uniform base is a workable idea, but because we expected that the DOR study would conclude that it is not, thus putting to rest this ill-advised idea.

Uniform definitions broadly supported

- HB-1288 also directed the DOR to make recommendations regarding use of uniform definitions by sales taxing jurisdictions.
- Uniform definitions and tax guidance remove the possibility that similar transactions will be taxed or exempted differently among jurisdictions, based on the particular ways common terms are defined or construed.
- For multi-jurisdictional merchants, this makes the decision of whether to collect tax or not far easier. The determination is simply whether the item is taxable or not, rather than what the definition of the item may be.

So this is our charge...



SENATE JOINT RESOLUTION 14-038

BY SENATOR(S) Steadman and Harvey, Newell, Ulibarri;
also REPRESENTATIVE(S) Kagan and Conti, Becker, Court, Fields,
Gardner, Hamner, Holbert, Hullinghorst, Joshi, Labuda, May, McCann,
Melton, Pettersen, Primavera, Ryden, Schafer, Singer, Tyler, Williams,
Wright, Young, Ferrandino.

CONCERNING UNIFORM SALES AND USE TAX DEFINITIONS
FOR HOME RULE MUNICIPALITIES THAT LOCALLY COLLECT
THEIR SALES AND USE TAXES.

WHEREAS, Colorado's system of local collection of sales and use tax
by home rule municipalities can be cumbersome and difficult for
multijurisdictional merchants; and

WHEREAS, The state, local governments, and businesses alike agree
that standardization of definitions of the goods or services subject to sales
or use tax and the goods or services exempted from sales or use tax (the
"sales and use tax base") would improve Colorado's business
environment; and

WHEREAS, The use of different definitions including varying tax
guidance regarding the different definitions among all taxing jurisdictions
creates confusion for taxpayers and needless audit exposure for
businesses; and

WHEREAS, Standardization of definitions for the sales and use tax
base was recommended in the report prepared by the department of
revenue titled "Uniform Sales and Use Tax Base Throughout the State"
dated December 15, 2013; and

GOOD NEWS

- Standardized definitions were done in 1991, and most home rule munis have same or similar definitions as the 1992 model ordinance
- There are some definitions that have drifted, need work, need to be created, and some where the interpretation / guidance has drifted from the definition

Steering Committee

2015 Sales Tax Standard Definitions Steering Committee

Municipality	Name	Position
Aurora	Robin Peterson	Marijuana Enforcement Division Manager
Boulder	Patrick Brown	Revenue & Licensing Officer
Brighton	Jean Starr	Assistant Finance Director
Centennial	Jeff Cadiz	Revenue Manager
Colorado Springs	Karen Garcia	Sales Tax Manager
Commerce City	Malcolm Castellaw	Tax Manager
Denver	Bruce Moore	Director of Tax Compliance
Edgewater	Kenneth Keeley	Finance Director
Evans	Jesse Pacheco	Finance Department
Golden	Jeff Hansen	Finance Director
Grand Junction	Elizabeth Tice	Management and Legislative Liason
Grand Junction	or Jodi Romero	Financial Operations Director
Lakewood	Erin Nordmann	Revenue Division Manager
Loveland	Jim Wedding	Revenue Manager
Northglenn	Ken Martinez	Sales Tax Manager
Pueblo	Valerie Palumbo	Tax Audit Manager
Thornton	Rachel Quintana	Tax Manager
Westminster	James MacDonald	Audit Supervisor
Wheat Ridge	Kathy Franklin	Sales Tax Supervisor
Total Members	19	

Things to consider with each definition

- 1992 model definition
- State definition
- SSTP
- TABOR & impact on your jurisdiction's code

- We'll let you know how it's going...

Additional questions?

Rachel Allen rallen@cml.org

(303) 831-6411 x113 or

(866) 578-0936 (toll free)