



State of Colorado Sales and Use Tax Software (SUTS) Collection System

**City Council Work Session
May 9, 2023**

Background

- 2018 U.S. Supreme Court Decision - *South Dakota v. Wayfair*
 - States may charge taxes on purchases made from out-of-state sellers regardless of any physical presence in the taxing state
 - Greeley adopted ordinance to regulate out-of-state sellers
 - Greeley adopted that language through ordinance in April 2021
- State of Colorado Legislation - HB 19-1240
 - Established economic nexus without physical presence for the state
 - Required marketplace facilitators to collect sales tax on behalf of seller

State Sales and Use Tax System (SUTS)

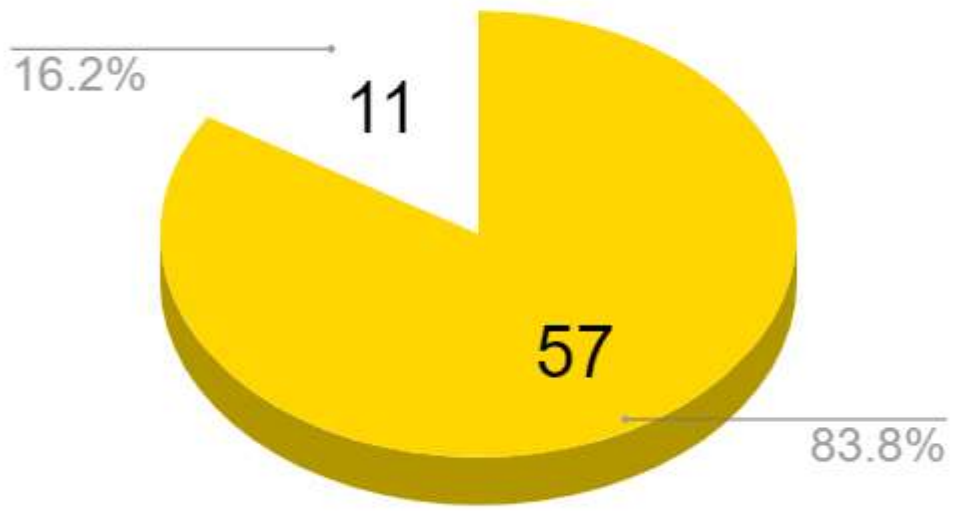
- Created by the State of Colorado Department of Revenue
- One-stop portal for taxpayers
 - Look up sales and use tax rates by address
 - Single point and uniform remittance form
 - Taxability and exemption matrix
 - Ability to calculate tax rates on items with differing tax rates in the same jurisdiction
 - A record of the history of any changes

SUTS - Taxpayers Accessibility

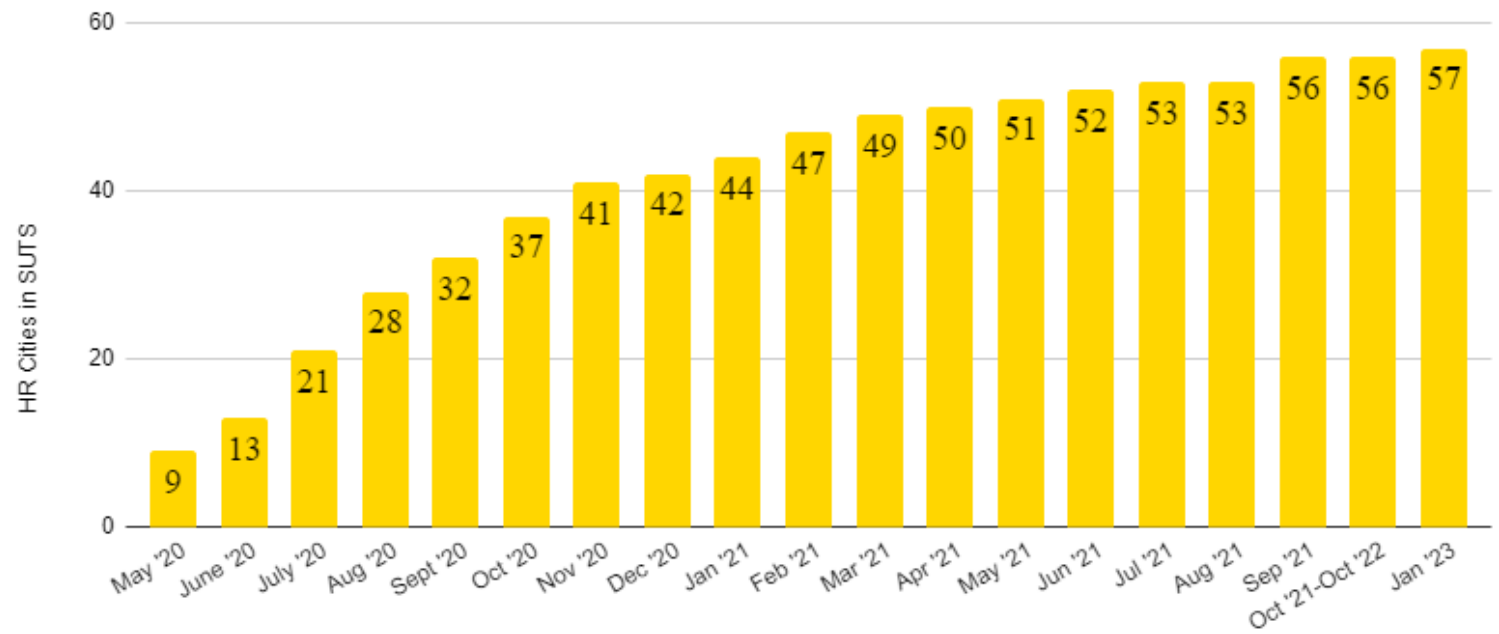
- Intended to streamline out of state businesses ability to comply with marketplace facilitator regulations
- Available for any business (not just those with economic nexus)
- Businesses with physical presence in Greeley still need to have a local sales tax license
- Adds additional filing option for businesses
 - Paper via mail or walk-in, Greeley's online tax system, or the new SUTS System

Current Home Rule Participation in SUTS

Home Rule City Participation



Total Self-Collecting Home Rule Cities Participating in SUTS (68 possible)



Next Steps

- Present City Council with ordinance modifying the City Municipal Code allowing the City to use SUTS
 - First Reading May 16th
 - Second Reading June 6th
- Develop a supplemental IGA (City and State) outlining SUTS mechanics, implementation and operations
- Implementation Timeline (if ordinance and IGA approved)
 - Sign Agreement with State June 2023
 - Implement and Start Collecting from SUTS in July 2023



High
Performance
Government



Community
Vitality



Business
Growth

Thank you

