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December 4, 2017

Colorado Department of Revenue
Taxation Division
Location of a Sale & Application of Local Sales Tax Stakeholder Work Group
{ Sent Via E-Mail }

Re: Comments for December 5, 2017 Stakeholder Work Group to Discuss Rules for Determining Location of a Sales for Sales Tax Purposes

Dear Stakeholder Work Group:

On behalf of the Council On State Taxation (COST), we appreciate the opportunity to provide comments to the Colorado Department of Revenue (CDOR) workgroup which is discussing rules for determining the location of a sale for sales tax purposes. Uniform sourcing of sales for sales tax purposes is important to COST's membership to avoid duplicative taxation and ease compliance.¹

About COST

COST is a nonprofit trade association consisting of approximately 600 multistate corporations engaged in interstate and international business. COST's objective is to preserve and promote equitable and nondiscriminatory state and local taxation of multijurisdictional business entities. Many of COST's members do a significant amount of business in Colorado.

Colorado Should Use of the Streamlined Sales and Use Tax Agreement's Sourcing Rules

One of the core requirements of the Streamlined Sales and Use Tax Agreement (SSUTA) is its sourcing provisions contained in Sections 309, 310, 310.1 of the SSUTA and its Rules 309 to 309.4, which address both sales of tangible personal property and services. COST strongly encourages the CDOR to review these provisions of the SSUTA, and COST would be pleased to work with the CDOR and other interested parties in putting in place a uniform sourcing procedure that follows the SSUTA framework. Using the SSUTA sourcing rules would also put Colorado in compliance with two federal bills—the Marketplace Fairness Act, S. 976 and the Remote Transactions Parity Act, H.R. 2193.

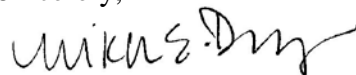
Summary

COST respectfully requests the CDOR consider the SSUTA sourcing provisions when contemplating the adoption of any sourcing rules. While we are not able to attend

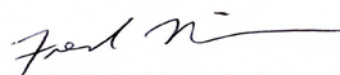
¹ COST's policy statement addressing the simplification of the states' sales tax systems, including sourcing, for those states to obtain remote seller collection authority is available at: <http://cost.org/globalassets/cost/state-tax-resources-pdf-pages/cost-policy-positions/simplification-of-the-sales-and-use-and-similar-transaction-tax-system-2-26-13-adopted-2.pdf>.

tomorrow's meeting in person, we look forward to working with you and other interested parties on this issue in the future.

Sincerely,



Nikki E. Dobay
Sr. Tax Counsel



Fred Nicely
Sr. Tax Counsel

cc: COST Board of Directors
Douglas L. Lindholm, COST President & Executive Director