BILL TOPIC: "State Tax System Working Group"

A BILL FOR AN ACT

101 Concerning a requirement that the director of research of
102 the legislative council convene a working group to
103 conduct an analysis of the state tax system used by the
104 department of revenue.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

Joint Technology Committee. The bill requires the director of research of the legislative council, in coordination with the other nonpartisan legislative staff agencies, the department of revenue, the
department of personnel, and the governor's office of information technology, to convene a state tax system working group (working group) to meet during the interim following the first regular session of the seventy-second general assembly and to conduct an analysis of the state tax system used by the department of revenue. The bill specifies the aspects of the state tax system that the working group is required to consider.

The working group is authorized to solicit input from any additional interested parties, as deemed necessary and appropriate by the working group, and is required to submit a report of its findings and recommendations in connection with the state tax system to the joint technology committee, the joint budget committee, and the finance committees of the house of representatives and the senate.

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1 Be it enacted by the General Assembly of the State of Colorado:

2 SECTION 1. In Colorado Revised Statutes, 2-3-304, add (8) as
3 follows:

4 2-3-304. Director of research - assistants - repeal. (8) (a) The
5 director of research of the legislative council, in coordination
6 with the other nonpartisan legislative staff agencies, the
7 department of revenue, the department of personnel, and the
8 governor's office of information technology, shall convene a
9 state tax system working group to meet during the interim
10 following the first regular session of the seventy-second
11 general assembly and to conduct an analysis of the state tax
12 system currently used by the department of revenue. The
13 working group shall evaluate and consider the following:
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15 (I) The deficits of the current state tax system, including
16 requests that the system cannot satisfy stakeholder
17 dissatisfaction with the system;
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19 (II) The benefit of ownership of the current tax system in
20 relationship to the costs of the total deficits of the current
SYSTEM;

(III) Whether it would be more beneficial to stakeholders and cost-effective for the state to make adjustments and new investments in the current state tax system to address the deficits of the system or to pursue a replacement system;

(IV) Potential areas of improvement for the current state tax system, including options to provide a robust tax reporting and analytics solution and options to develop and maintain an external severance tax module that interfaces with the current state tax system;

(V) Options for managing the recurring changes in tax data and the method by which newly requested tax reports are implemented and generated to track those tax changes; and

(VI) Any other evaluations or considerations deemed necessary by the working group in connection with the state tax system.

(b) The state tax system working group may solicit input from any additional interested parties as deemed necessary and appropriate by the working group.

(c) On or before December 1, 2019, the state tax system working group shall submit a report of its findings and recommendations to the joint technology committee, the joint budget committee, and the finance committees of the house of representatives and the senate. The report shall include:

(i) The findings and recommendations of the working group in connection with the items specified in subsection (8)(a) of this section;

(d) THIS SUBSECTION (8) IS REPEALED, EFFECTIVE JUNE 30, 2020.

SECTION 2. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.