Colorado Office of Information Technology and Colorado Department of Revenue

SB19-006 SOFTWARE CONSORTIUM

BACKGROUND

In April, 2019, SB19-006 became law. The bill, put forward by the Sales and Use Tax Simplification Task Force, authorizes the Governor's Office of Information Technology (OIT) with assistance from the Department of Revenue (DOR), to oversee the development of an electronic sales and use tax simplification system.

SB19-006 ("SB6" or "SUTS" software) has two parts: One is the "GIS software" which would give users the sales and use tax information associated with a specific address in Colorado, so they would know what to collect, and the other part is the "remittance software" which businesses would use to have a single portal to file and remit the sales and use taxes they collect.

SB6 required OIT and DOR to engage stakeholders in developing the scope of work for this new software system. This requirement has been completed for the remittance software, and is under development for the GIS software. We expect to have Stakeholdering around the GIS software in early September. OIT has built other applications using GIS data and plans to be the provider for this part of the software system, with input from Stakeholders.
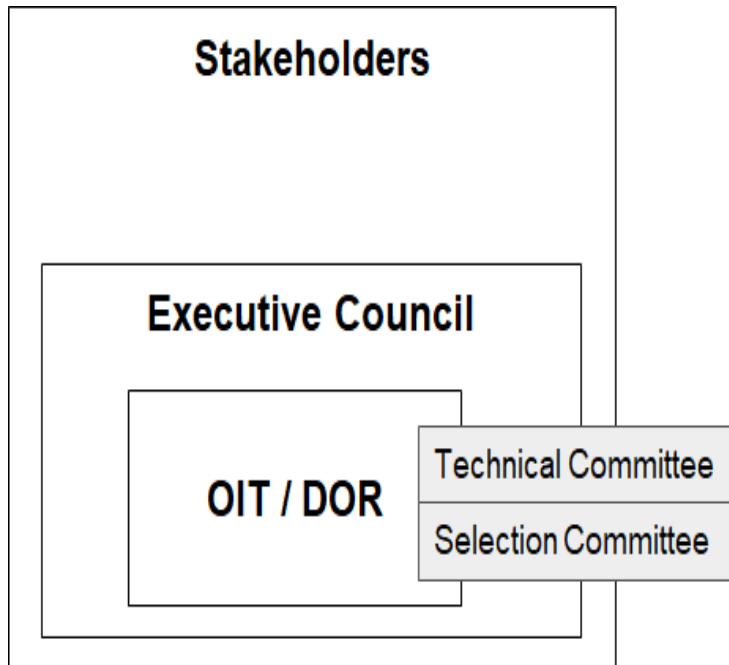
SB6 also required that OIT oversees the selection of a software vendor for the remittance software. OIT has engaged a larger group of stakeholders who are on an SB6 Selection Committee to help OIT with the negotiations and procurement, which has to follow strict State procurement regulations.

Recognizing the significant impact and benefits of this new system on all Colorado municipalities, counties, special districts, and businesses, DOR and OIT are committed to continuing this process of collaboration. We are inviting the Stakeholders to work with us from start-up to delivery and ongoing maintenance and continuous improvement of the system.

DOR and OIT believe that by building a *consortium* from the beginning of the project and maintaining this key group of representatives throughout the process, we can ensure the delivery of a highly functional system that will serve everyone's needs. The Consortium is an unofficial collaboration between vested parties with representatives chosen from OIT, DOR, Municipalities, Counties, Special Districts, Businesses, related organizations and the legislature.

STRUCTURE

The Consortium has several nested layers:

Stakeholders

Executive Council

OIT / DOR

Technical Committee

Selection Committee

Executive Council: These are the senior advisors to OIT and DOR, voting on what they believe to be the highest priority items as the SUTS Software evolves.

Stakeholders: This is a much larger, open-invitation group for anyone who will interface with the SUTS software to come talk with OIT and DOR and members of the Executive Council when needed to inform all of their concerns. They have already met to assist with the scope of work on the remittance software and may be convened again for the scope on the GIS software side.

Technical Committee: These are Stakeholders who have already been chosen, with particularly deep technical knowledge, who are helping OIT in the specification and scope of software creation.

Selection Committee: These are specific Stakeholders who have already signed an NDA and are working closely at this time with OIT procurement in negotiating with potential vendors. They may share members with the Technical Committee and Executive Council.

The rest of this document drills down on the Executive Council which is the only tier that has yet to be filled.

EXECUTIVE COUNCIL

The Executive Council will meet on a regular basis to address issues arising from the project that will need perspectives from members who are currently operating within the boundaries of multiple taxing jurisdictions, deliberating on direction, prioritization, strategic input and other issues that affect both taxing authorities and the business customer, along with data collection from the system and potential enhancement in the future.

Representation: The following representatives will serve on the Council:
- Municipalities: Colorado Municipal League (CML) will select two representatives .
- Counties: Colorado Counties, Inc (CCI) will select two representatives.
- Special Districts: DOR collects taxes for all special districts and in this capacity, with the selection and approval in conjunction with the Special District Association (SDA), will select one representative.

- Businesses: The Colorado Chamber of Commerce and Simplify Colorado will each choose one representative from the business community.
- Legislators: The Joint Technology Committee of the General Assembly will choose one representative.
- Agency: OIT and DOR will have representation that can support the Council as to what is possible and feasible, the costs, etc, to help inform their recommendations. SB6 was clear that the SUTS software is the responsibility of OIT and DOR so that OIT and DOR must be able to have certain powers over implementation that may not be feasible or practical.
- Support: DOR and OIT will bring subject matter experts, as well as legal, procurement and other representation that the Council may need to inform their discussion. For this reason, a background in information technology is not necessary since the discussion will be centered on business decisions, use cases, and best practices.

Meetings & Time Commitment: Regular meetings will start off monthly during the formation stage and likely ending in quarterly meetings in the future. The Council will also be receiving brief, weekly updates from OIT/DOR on the progress of the project.

The start-up of any new entity requires more hours at the beginning to be able to put in place guiding principles, structure, logistics, and an agenda. We will hold monthly meetings in 2019 and begin quarterly meetings in 2020. The location (TBD) will be central to Denver with parking. The exact location will be determined after all the members are appointed. Given that we are a state agency, our amenities are limited. We would also be open to any business members that would like to host our monthly meetings.

Sep, 2019: 2-4 hours	Jan, 2020: 2 hours
Oct, 2019: 2-3 hours	Apr, 2020: 2 hours
Nov, 2019: 1-2 hours	Jul, 2020: 2 hours
Dec, 2019: 1-2 hours	Oct, 2020: 2 hours

We are planning for the first meeting of the Executive Council will be scheduled for the third week of September.

Reporting: The Executive Council presents their decisions to and with OIT and DOR, who in turn report the progress and continuous improvement, along with any statutory needs, to the Sales & Use Tax Task Force and to the JTC and at the Smart Act hearings.