

**\$4,000 cost for a small business to collect \$46 in local taxes**

I did an audit on my Loveland Subway sandwich restaurant that delivers to 5 other taxing districts. In 2018, that store made a total of \$1,320 in sales to those 5 districts. Had destination sourcing been in place, it would have caused my typical 17-year-old staff member to search addresses for every single one of the 3,600 deliveries we made last year at 2 minutes per search. This slows the service for all of our customers. Plus, I estimate it would take about 45 hours to train new employees during a year (about 1 hour per employee). Plus estimated 20 minutes per week for a manager to track sales on a spreadsheet and 1.5 hours per month for a bookkeeper submitting checks and filling out tax forms. That is 205 hours of labor in order to collect \$46 in taxes. This doesn't include the cost of having to pay for a GIS address system (because they don't let us use their GIS database for free).

Historically, Loveland and Larimer County have been enjoying all of these taxes because it is far easier to tax it at origin. So now we'll send that same \$46 to other districts. And businesses in those districts likely send some new money to Loveland/Larimer. In the end, Loveland/Larimer will likely see almost no difference.

There are 24,000 restaurants in the state. Delivery is a rapidly growing segment!  
Colorado has more than 80,000 small businesses that have sales less \$100,000 in total and nearly 100,000 businesses that would qualify for this *de minimis* exemption.

In fact, because it is so hard to comply, many will just skirt the system completely. If it is easy to comply, businesses will comply!

**There is a broad coalition of supporters for this bill because it is the ONLY bill that has been introduced that stands in the way of a multi-million dollar burden on Colorado Small Business.**

**A "No" vote from this committee tells 100,000 businesses across Colorado that you support the bureaucratic nightmare that is about to crush them when we allow D.O.R. to enforce its unilateral ruling.**