

Sales/Use/Indirect:

Colorado District Court Grants DOR's Motion to Dismiss in Dispute Between Taxpayer and Locality

Case No. 2022CV30710, Colo. Dist. Ct. (1/10/24). A Colorado district court granted the Colorado Department of Revenue's (Department) motion to dismiss in a dispute between a taxpayer and a Colorado local taxing authority involving local taxes due, where the taxpayer claimed that the Department was a necessary party to the action and failed to streamline Colorado sales and use tax compliance and implement a statewide tax remittance procedure, resulting in an undue burden on and discrimination against interstate commerce. In dismissing the Department from the action between the taxpayer and the locality, the court explained that the Department does *not* have the statutory authority to introduce and implement a statewide system for looking up rates and remitting taxes and cannot require home rule cities such as the Colorado locality at issue (*i.e.*, Lakewood) to participate in such a statewide system. Please contact us with any questions.

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