



WHEREAS, in 2006 the Colorado Department of Revenue issued a revised special regulation (SR-7) concerning and clarifying the application of sales tax upon the sale of software; and

WHEREAS, prior to the issuance of special regulation (SR-7), the taxation of software in Colorado was encumbered by substantial confusion arising within the business community and among the state agents tasked with enforcement of the rules; and

WHEREAS, the Department of Revenue, tasked with interpreting tax law drafted by the Colorado state legislature and with the authority within its purview, issued guidance in the form of special regulation (SR-7) that represents a reasonable interpretation of the law; and

WHEREAS, CSIA, the Information Technology Association representing more than 5,500 information technology companies and 125,000 professionals who work in information technology in Colorado, has the responsibility to monitor the current and future legislative and regulatory environment within our state for these important companies and professionals; and

WHEREAS, the tax environment is one of the key reasons companies locate to Colorado to do business and that any change to special regulation (SR-7) is detrimental to the business environment of Colorado and will potentially result in job losses and the loss of competitiveness, creating greater economic challenges both for the industry and for the state; and

WHEREAS, the Public Policy and Economic Development Committee of CSIA having reviewed all of the concerns stated above in depth, recommends to the Board of Directors of CSIA to take appropriate and immediate action;

NOW THEREFORE, be it resolved that CSIA adamantly opposes any regulatory or legislative change to the current special regulation (SR-7) because it would prohibit the growth of this very important industry that is also critical to the current and future economic strength of our state. Furthermore, CSIA will continue to work towards solutions to grow the industry and help resolve the budget gap through economic success.

ADOPTED BY THE BOARD OF DIRECTORS OF CSIA BY AN AFFIRMATIVE VOTE ON THIS 18TH DAY OF DECEMBER 2009.

Kirby Slunaker, Chair, 2009 Board of Directors for CSIA