



February 24, 2023

The Honorable Jared Polis  
Governor of Colorado  
State Capitol Building  
200 E. Colfax Ave., Rm. 136  
Denver, CO 80203

**RE: SUPPORT: HB 23-166: Repeal Retail Delivery Fees**

Dear Governor Polis:

On behalf of the Chamber of Progress, a tech industry coalition promoting technology's progressive future, I write to express our support for the Repeal Retail Delivery Fees bill under consideration ([HB 23-166](#)) in the Colorado House of Representatives, which aims to repeal the regressive, pre-existing retail delivery tax.

As was discussed during the Transportation Committee's hearing<sup>1</sup> on HB 23-166, the retail delivery tax imposed on Colorodans has resulted in **increased prices on everyday items for consumers** and **significant investments in time and resources for businesses** to comply with the new law. By repealing the tax, lawmakers would help alleviate the tax burden and financial distress Colorado families and businesses are facing at a time when they can least afford them. Colorado lawmakers could also more fully explore alternative solutions to the expected loss of gas tax revenue.

Coloradans depend on doorstep deliveries for a wide variety of essentials including groceries, fresh food and life-saving medicine. Doorstep deliveries empower local businesses to expand their customer bases, support jobs and provide flexible opportunities to countless gig economy workers. Colorado's existing delivery tax places a cumbersome burden on vulnerable and disadvantaged populations like the disabled, elderly and those living in food deserts who rely upon doorstep deliveries the most.

Rather than trying to salvage contrived and difficult-to-enforce delivery taxes by tinkering around the edges, we urge lawmakers to repeal these regressive taxes altogether. Although they were initially conceptualized as a progressive and easy substitute for falling gas tax revenues, the rollout of delivery taxes in 2022 provided ample evidence that counters that claim.

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<sup>1</sup> <https://sg001-harmony.sliq.net/00327/Harmony/en/PowerBrowser/PowerBrowserV2/20230221/34/13952>

Small business owners have criticized the mounting compliance and accounting costs, with one florist estimating it will cost “more than \$100,000” for her business to implement the tax<sup>2</sup>. Mounting frustration with the state’s delivery tax was prominently displayed in Colorado newspaper headlines throughout the summer.<sup>3</sup>

In addition, delivery helps to reduce carbon emissions. Rather than several individual vehicles traveling to and from their homes to shopping centers, a delivery service is able to deliver multiple households along one single trip – and delivery vehicles are often electrified and equipped with smart efficient routing. Delivery taxes meanwhile incentivize customers to shop via more carbon-intensive methods.

Finally, the Biden Administration’s attempts to stem inflation are showing signs of helping to hedge against skyrocketing costs – but job losses, supply bottlenecks, and historically high prices have not quite begun to ease the economic burden Colorado residents are currently experiencing. The macroeconomic road ahead remains unclear<sup>4</sup>, as many economists still fear that the U.S. may enter a recession<sup>5</sup>, forcing families to prepare to make difficult decisions amid more uncertainty.

Delivery services are critical to our economy and tax policies should not threaten their benefits for families and workers. Lawmakers should seize the moment to provide residents with relief by repealing the burdensome retail delivery tax. For these reasons, we strongly urge legislators to support [HB 23-166](#), repeal the retail delivery tax, and work together to support the most vulnerable and disadvantaged populations rather than inflict economic pain on those who can least afford it.

Sincerely,



Kouri C. Marshall  
Chamber of Progress

Cc: Senate and House of Representatives Leadership; Senator Perry Will

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<sup>2</sup>[https://www.kktv.com/2022/07/07/new-colorado-retail-delivery-fee-causing-issues-small-businesses/?utm\\_source=dlvr.it&utm\\_medium=twitter](https://www.kktv.com/2022/07/07/new-colorado-retail-delivery-fee-causing-issues-small-businesses/?utm_source=dlvr.it&utm_medium=twitter)

<sup>3</sup>[https://denvergazette.com/news/business/confusion-swirls-as-colorado-imposes-new-retail-delivery-fee-catching-businesses-by-surprise/article\\_9adf61f4-fedd-11ec-a76c-d32b3bedaf4e.html](https://denvergazette.com/news/business/confusion-swirls-as-colorado-imposes-new-retail-delivery-fee-catching-businesses-by-surprise/article_9adf61f4-fedd-11ec-a76c-d32b3bedaf4e.html)

<sup>4</sup><https://www.npr.org/2023/02/17/1157456149/is-the-economy-headed-for-recession-or-a-soft-landing>

<sup>5</sup>

<https://www.cnbc.com/2023/02/18/what-a-deeper-than-expected-recession-means-for-your-money.html>