



SB24-033 is a major tax increase on short-term rental properties that would damage Colorado's vital tourism economy – while failing to produce the promised revenue windfall for local governments.

By changing the property tax classification of homes used as short-term rentals from residential to commercial rates (6.7% to 27.9%), thus creating a 400 percent tax hike, SB24-033 will force hard-working Colorado families to either sell their home or reduce the number of nights they rent the home to below the allowable threshold. Either way, Colorado's economy suffers because there are fewer lodging options available for the tourists visiting the state. Coloradans must protect against this new tax scheme that hurts Colorado's economy and communities by reducing visitors' spending by \$1.36 BILLION annually. This reduction in tourism spending results in widespread – and predictable – economic damage, including lost jobs in restaurants, house cleaning services, landscaping companies and more.

This bill also sets a dangerous precedent in violation of our Taxpayer Bill of Rights because if the state can simply reclassify properties to raise taxes, what will stop the government from reclassifying home offices and as commercial properties?

Coloradans must defend against this slippery slope tax increase that will quadruple taxes on short-term rentals. SB24-033 is wrong for Colorado.