



from the business's gross income under the Code and therefore is taxable."

[\(CARES Act Coronavirus Relief Fund frequently asked questions | Internal Revenue Service\)](#)

It seems that the IRS left the taxation decision to the States. For example, Montana decided uniformly to issue 1099-G (unemployment benefits).

[\(mtrevenue.gov/2021/01/25/covid-business-grant-income-taxable-in-montana/\)](https://mtrevenue.gov/2021/01/25/covid-business-grant-income-taxable-in-montana/)

However, Colorado let the individual government entities make their own decision. As a consequence, mistakes have been made. For instance, the City of Woodland Park issued 1099-NEC, non-employee compensation, to small businesses, which is demonstrably an error.

Thus, there is a need for Colorado leaders to make a uniform recommendation which "information return" (1099-NEC, 1099-MISC, or 1099-G) applies, if any.

Moreover, on March 10, 2021, The House and Senate have announced another round of bills tied to the \$700 million stimulus "intended to help Coloradans recover from the economic effects of the pandemic." This also says: "Our stimulus plan will make bold, needed investments in families, small businesses, and infrastructure projects to build Colorado back stronger as our economy safely reopens."

[www.coloradopolitics.com/legislature/house-and-senate-democrats-introduce-next-round-of-colorado-stimulus-bills/article\\_ddf05a0c-9322-11eb-8cb8-577e5a7f2646.html](https://www.coloradopolitics.com/legislature/house-and-senate-democrats-introduce-next-round-of-colorado-stimulus-bills/article_ddf05a0c-9322-11eb-8cb8-577e5a7f2646.html)

Therefore, the need, for a state-wide decision, on how to tax the new, and the 2020 payments in a consistent way, does exist.

And this is what I am petitioning here for.

Thank you very much for your attention.

I am here to answer any questions.

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P.S.

There is hope that the new U.S. Treasury Office of Recovery Programs, lead by Chief Recovery Officer Jacob Leibenluft ([OfficeOfRecoveryPrograms@treasury.gov](mailto:OfficeOfRecoveryPrograms@treasury.gov)), would decide that this government grant is tax-free as this was declared for students-recipients:

[www.irs.gov/newsroom/emergency-aid-granted-to-students-due-to-covid-is-not-taxable](http://www.irs.gov/newsroom/emergency-aid-granted-to-students-due-to-covid-is-not-taxable)

-The End-