

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

HB26-1223 be amended as follows:

1 Amend reengrossed bill, page 5, line 13, strike "income tax credit" and
2 substitute "tax credits".

3 Page 14, after line 8 insert:

4 "SECTION 4. In Colorado Revised Statutes, 39-26-102, **add**
5 (21)(c) as follows:

6 **39-26-102. Performance statement - definitions - repeal.**

7 As used in this article 26, unless the context otherwise requires:

8 (21) (c) (I) BEGINNING JULY 1, 2026, A RETAILER THAT SELLS
9 FOOD OR DRINK AS DESCRIBED IN SECTION 39-26-104 (1)(e) IS DEEMED TO
10 USE GAS AND ELECTRICITY IN THE PROCESSING OF PREPARED FOOD AS
11 FOLLOWS:

12 (A) IF THE RETAILER'S SALES OF PREPARED FOOD EXCEED
13 TWENTY-FIVE PERCENT OF THE RETAILER'S TOTAL SALES REVENUE, ONE
14 HUNDRED PERCENT OF THE PURCHASE PRICE PAID BY THE RETAILER FOR
15 GAS AND ELECTRICITY IS EXEMPT FROM TAXATION UNDER THE PROVISIONS
16 OF THIS PART 1. THE RETAILER MAY CLAIM THE EXEMPTION DESCRIBED IN
17 THIS SUBSECTION (21)(c)(I)(A) WITH THE GAS OR ELECTRIC SERVICE
18 UTILITY OR AS A CREDIT AGAINST THE TAX COLLECTED BY THE RETAILER.

19 (B) IF THE RETAILER'S SALES OF PREPARED FOOD ARE
20 TWENTY-FIVE PERCENT OR LESS OF THE RETAILER'S TOTAL SALES
21 REVENUE, THE RETAILER IS ALLOWED A CREDIT AGAINST THE TAX
22 COLLECTED BY THE RETAILER PURSUANT TO THIS PART 1 IN AN AMOUNT
23 EQUAL TO ONE-HALF OF ONE PERCENT OF A RETAILER'S SALES OF
24 PREPARED FOOD.

25 (II) A RETAILER WHO CHOOSES TO CLAIM THE CREDIT ALLOWED
26 BY THIS SUBSECTION (21)(c) MUST CLAIM THE CREDIT FOR THE PREVIOUS
27 CALENDAR YEAR ON THE SALES TAX RETURN MADE FOR THE MONTH OF
28 JANUARY; EXCEPT THAT A SEASONAL RETAILER MUST CLAIM THE CREDIT
29 ON THE SALES TAX RETURN MADE FOR THE MONTH OF JUNE.

30 **SECTION 5.** In Colorado Revised Statutes, 39-26-105, **amend**
31 (1.3)(a)(V)(B), (1.3)(a)(V)(C), (1.3)(c), (1.3)(c.5), and (1.3)(f.7); and **add**
32 (1.3)(a)(V)(D) and (1.3)(a)(V)(E) as follows:

33 **39-26-105. Vendor liable for tax - definitions - repeal.**

34 (1.3) (a) As used in this subsection (1.3), unless the context
35 otherwise requires:

36 (V) (B) On and after June 14, 2021, but before ~~June 3, 2022~~ BUT
37 BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (1.3)(a)(V)(B), AS
38 AMENDED, "specified sales tax period" means sales made in June 2021,
39 July 2021, and August 2021, for which monthly returns must be filed

1 pursuant to subsection (1)(b) of this section, on July 20, 2021, August 20,
2 2021, and September 20, 2021, respectively.

3 (C) ~~On and after June 3, 2022~~ ON AND AFTER THE EFFECTIVE DATE
4 OF THIS SUBSECTION (1.3)(a)(V)(C), AS AMENDED, "specified sales tax
5 period" means sales made in July 2022, August 2022, and September
6 2022, for which monthly returns must be filed pursuant to subsection
7 (1)(b) of this section, on August 20, 2022, September 20, 2022, and
8 October 20, 2022, respectively.

9 (D) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION
10 (1.3)(a)(V)(D), AS AMENDED, "SPECIFIED SALES TAX PERIOD" MEANS
11 SALES MADE IN JULY 2027, AUGUST 2027, NOVEMBER 2027, AND
12 DECEMBER 2027, FOR WHICH MONTHLY RETURNS MUST BE FILED
13 PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION, ON AUGUST 20, 2027,
14 SEPTEMBER 20, 2027, DECEMBER 20, 2027, AND JANUARY 20, 2028,
15 RESPECTIVELY.

16 (E) IN ADDITION TO THE DEFINITION IN SUBSECTION (1.3)(a)(V)(D),
17 ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1.3)(a)(V)(E),
18 AS AMENDED, "SPECIFIED SALES TAX PERIOD" MEANS SALES MADE IN JULY
19 2028, AUGUST 2028, NOVEMBER 2028, AND DECEMBER 2028, FOR WHICH
20 MONTHLY RETURNS MUST BE FILED PURSUANT TO SUBSECTION (1)(b) OF
21 THIS SECTION, ON AUGUST 20, 2028, SEPTEMBER 20, 2028, DECEMBER 20,
22 2028, AND JANUARY 20, 2029, RESPECTIVELY.

23 (c) A qualifying retailer in the mobile food services industry may
24 deduct from state net taxable sales the lesser of aggregate state net taxable
25 sales for all sites or ~~seventy thousand dollars~~ FOURTEEN THOUSAND
26 DOLLARS per motorized vehicle or nonmotorized cart, not to exceed five
27 motorized vehicles or nonmotorized carts, and retain the resulting state
28 sales tax collected for each month IN THE SPECIFIED SALES TAX PERIOD
29 ~~specified~~ in subsection (1.3)(a)(V)(A) of this section.

30 (c.5) A qualifying retailer in the catering industry may deduct
31 from state net taxable sales the lesser of aggregate state net taxable sales
32 for all events or ~~seventy thousand dollars~~ FOURTEEN THOUSAND DOLLARS,
33 and retain the resulting state sales tax collected for each month specified
34 in subsection (1.3)(a)(V) of this section.

35 (f.7) To the extent that information is available and without
36 changing the sales tax return form, the department of revenue shall
37 include a report to its committee of reference at a hearing held in January
38 ~~2023~~ EACH YEAR, pursuant to section 2-7-203 (2)(a) of the "State
39 Measurement for Accountable, Responsive, and Transparent (SMART)
40 Government Act" specifying:

41 (I) The amount of sales tax revenue that the state did not collect
42 in ~~2022~~ THE PREVIOUS CALENDAR YEAR as a result of the deduction
43 allowed in this subsection (1.3); and

1 (II) How many retailers elected to take advantage of the deduction
2 allowed in this subsection (1.3) in ~~2022~~ THE PREVIOUS CALENDAR YEAR."

3 Renumber succeeding sections accordingly.

4 Page 15, after line 13, insert:

5 "SECTION 8. In Colorado Revised Statutes, 39-26-715, add
6 (2)(b)(IV) as follows:

7 **39-26-715. Fuel and oil - definitions.**

8 (2) The following are exempt from taxation under the provisions
9 of part 2 of this article 26:

10 (b) (IV) BEGINNING JULY 1, 2026, FOR PURPOSES OF THIS
11 SUBSECTION (2)(b), THE DEEMED USAGE RULES SET FORTH IN SECTION
12 39-26-102 (21)(c)(I) APPLY."

13 Renumber succeeding subsections accordingly.

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