

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 17-1026.01 Esther van Mourik x4215

SENATE BILL 17-238

SENATE SPONSORSHIP

Holbert,

HOUSE SPONSORSHIP

Neville P. and Wist, Everett

Senate Committees

Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE NOTIFICATIONS THAT RETAILERS THAT DO NOT**
102 **COLLECT COLORADO SALES TAX MUST PROVIDE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law requires retailers that do not collect Colorado sales tax to provide notification to all Colorado purchasers showing certain information. The notification must be sent separately to all Colorado purchasers by first-class mail. The bill specifies that the notification must instead be sent to the email address used to complete the purchase and not be included with any other emails to the purchaser regarding the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

purchase.

The bill also repeals the notification requirement that the retailer that does not collect Colorado sales tax must send to the department of revenue for each Colorado purchaser that specifies the total amount paid for Colorado purchases.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 39-21-112, **amend**
3 (3.5)(d)(I)(B); and **repeal** (3.5)(d)(II) and (3.5)(d)(III)(B) as follows:

4 **39-21-112. Duties and powers of executive director.**
5 (3.5) (d) (I) (B) The notification specified in ~~sub-subparagraph (A) of~~
6 ~~this subparagraph (I)~~ SUBSECTION (3.5)(d)(I)(A) OF THIS SECTION shall be
7 sent separately to all Colorado purchasers ~~by first-class mail~~ TO THE
8 EMAIL ADDRESS USED TO COMPLETE THE PURCHASE and shall not be
9 included with any other ~~shipments~~ EMAILS TO THE PURCHASER
10 REGARDING THE PURCHASE. The notification shall include the words
11 "Important Tax Document Enclosed". ~~on the exterior of the mailing.~~ The
12 notification shall include the name of the retailer.

13 (II) (A) ~~Each retailer that does not collect Colorado sales tax shall~~
14 ~~file an annual statement for each purchaser to the department of revenue~~
15 ~~on such forms as are provided or approved by the department showing the~~
16 ~~total amount paid for Colorado purchases of such purchasers during the~~
17 ~~preceding calendar year or any portion thereof, and such annual statement~~
18 ~~shall be filed on or before March 1 of each year.~~

19 (B) ~~The executive director of the department of revenue may~~
20 ~~require any retailer that does not collect Colorado sales tax that makes~~
21 ~~total Colorado sales of more than one hundred thousand dollars in a year~~
22 ~~to file the annual statement described in sub-subparagraph (A) of this~~
23 ~~subparagraph (II) by magnetic media or another machine-readable form~~

1 for that year.

2 (III) (B) ~~Failure to file the annual statement required in~~
3 ~~sub-subparagraph (A) of subparagraph (H) of this paragraph (d) shall~~
4 ~~subject the retailer to a penalty of ten dollars for each purchaser that~~
5 ~~should have been included in such annual statement, unless the retailer~~
6 ~~shows reasonable cause for such failure.~~

7 **SECTION 2. Act subject to petition - effective date -**
8 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
9 the expiration of the ninety-day period after final adjournment of the
10 general assembly (August 9, 2017, if adjournment sine die is on May 10,
11 2017); except that, if a referendum petition is filed pursuant to section 1
12 (3) of article V of the state constitution against this act or an item, section,
13 or part of this act within such period, then the act, item, section, or part
14 will not take effect unless approved by the people at the general election
15 to be held in November 2018 and, in such case, will take effect on the
16 date of the official declaration of the vote thereon by the governor.

17 (2) This act applies to all purchases made by Colorado purchasers
18 from each retailer that does not collect Colorado sales tax on or after the
19 effective date of this act.