

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 18-0894.01 Ed DeCecco x4216

SENATE BILL 18-179

SENATE SPONSORSHIP

Hill and Williams A., Grantham, Guzman, Baumgardner, Cooke, Coram, Crowder, Holbert, Kagan, Lundberg, Marble, Martinez Humenik, Neville T., Priola, Scott, Smallwood, Sonnenberg, Tate

HOUSE SPONSORSHIP

Hooton and Pabon, Coleman, Humphrey, Lontine, Melton, Rosenthal, Sias, Williams D.

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE EXTENSION OF THE CREDIT FOR TOBACCO PRODUCTS**
102 **THAT A DISTRIBUTOR SHIPS OR TRANSPORTS TO AN**
103 **OUT-OF-STATE CONSUMER.**

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>.)

Currently and until September 1, 2018, a distributor can claim a credit for taxes paid on tobacco products that are shipped or transported by the distributor to a consumer outside of the state. The bill makes the credit permanent.

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

SENATE
3rd Reading Unamended
March 5, 2018

SENATE
Amended 2nd Reading
March 2, 2018

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 hereby finds and declares that the purpose for extending the expiring
4 credit in this act is to retain the businesses that have expanded or opened
5 as a result of the "Cigar On-line Sales Equalization Act", enacted in 2015.

6 **SECTION 2.** In Colorado Revised Statutes, 39-28.5-105, **amend**
7 (1) and (3) as follows:

8 **39-28.5-105. Books and records to be preserved.** (1) Every
9 distributor shall keep at each licensed place of business complete and
10 accurate records for that place of business, including itemized invoices of
11 tobacco products held, purchased, manufactured, brought in or caused to
12 be brought in from without the state, or shipped or transported to retailers
13 in this state, and of all sales of tobacco products made, except sales to the
14 ultimate consumer WITHIN THE STATE.

15 (3) When a licensed distributor sells tobacco products exclusively
16 to the ultimate consumer WITHIN THE STATE at the address given in the
17 license, no invoice of those sales shall be required, but itemized invoices
18 shall be made of all tobacco products transferred to other retail outlets
19 owned or controlled by that licensed distributor. All books, records, and
20 other papers and documents required by this section to be kept shall be
21 preserved for a period of at least three years after the date of the
22 documents, unless the department, in writing, authorizes their destruction
23 or disposal at an earlier date.

24 **SECTION 3.** In Colorado Revised Statutes, 39-28.5-107, **amend**
25 (1) as follows:

26 **39-28.5-107. When credit may be obtained for tax paid.**

1 (1) Where tobacco products, upon which the tax imposed by this ~~article~~
2 ARTICLE 28.5 has been reported and paid, are shipped or transported by
3 the distributor to retailers without the state to be sold by those retailers,
4 are shipped or transported by the distributor to a consumer without the
5 state on or after September 1, 2015, ~~but prior to September 1, 2018~~, or are
6 returned to the manufacturer by the distributor or destroyed by the
7 distributor, credit of such tax may be made to the distributor in
8 accordance with regulations prescribed by the department.

9 **SECTION 4. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly (August
12 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
13 referendum petition is filed pursuant to section 1 (3) of article V of the
14 state constitution against this act or an item, section, or part of this act
15 within such period, then the act, item, section, or part will not take effect
16 unless approved by the people at the general election to be held in
17 November 2018 and, in such case, will take effect on the date of the
18 official declaration of the vote thereon by the governor.