

CHAPTER 380

TAXATION

HOUSE BILL 18-1218

BY REPRESENTATIVE(S) Carver and Melton, Coleman, Covarrubias, Esgar, Gray, Herod, Humphrey, Landgraf, Liston, Lontine, Michaelson Jenet, Pettersen, Rankin, Ransom, Roberts, Rosenthal, Salazar, Sandridge, Valdez, Van Winkle, Weissman, Williams D., Winter, Young, Duran;
also SENATOR(S) Crowder and Todd, Gardner, Hill, Kefalas, Lambert, Marble, Martinez Humenik, Moreno, Priola, Scott, Tate, Grantham.

AN ACT

CONCERNING THE DEFINITION OF A CHARITABLE ORGANIZATION FOR PURPOSES OF STATE SALES AND USE TAX, AND, IN CONNECTION THEREWITH, REMOVING THE LIMITATION THAT A VETERANS' ORGANIZATION ONLY GETS THE CHARITABLE ORGANIZATION EXEMPTION FOR PURPOSES OF SPONSORING A SPECIAL EVENT, MEETING, OR OTHER FUNCTION IN THE STATE, SO LONG AS SUCH EVENT, MEETING, OR FUNCTION IS NOT PART OF THE ORGANIZATION'S REGULAR ACTIVITIES IN THE STATE.

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

SECTION 1. In Colorado Revised Statutes, 39-26-102, **amend** the introductory portion and (2.5) as follows:

39-26-102. Definitions. As used in this ~~article~~ ARTICLE 26, unless the context otherwise requires:

(2.5) "Charitable organization" means any entity organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office, or any veterans' organization registered under section 501 (c)(19) of the FEDERAL "Internal Revenue Code of 1986", as amended. ~~for the purpose of sponsoring a special event, meeting, or other~~

Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

~~function in the state of Colorado so long as such event, meeting, or function is not part of such organization's regular activities in the state.~~

SECTION 2. In Colorado Revised Statutes, 39-26-713, **amend** (2)(d) as follows:

39-26-713. Tangible personal property. (2) The following are exempt from taxation under part 2 of this article 26:

(d) The storage, use, consumption, or loan of tangible personal property by or to the United States government, the state of Colorado or its institutions or political subdivisions in their governmental capacities only, or any charitable organization in the conduct of its regular charitable functions and activities; ~~except that any veterans' organization that qualifies as a charitable organization pursuant to section 39-26-102 (2.5) shall be exempt from taxation under the provisions of part 2 of this article only for the purpose of sponsoring a special event, meeting, or other function in the state of Colorado that is not part of such organization's regular activities in the state;~~

SECTION 3. In Colorado Revised Statutes, 39-26-718, **amend** (1) introductory portion and (1)(a) as follows:

39-26-718. Charitable organizations - association or organization of parents and teachers of public school students. (1) The following shall be exempt from taxation under the provisions of part 1 of this ~~article~~ ARTICLE 26:

(a) All sales made to charitable organizations, in the conduct of their regular charitable functions and activities; ~~except that any veterans' organization that qualifies as a charitable organization pursuant to section 39-26-102 (2.5) shall be exempt from taxation under the provisions of part 1 of this article only for the purpose of sponsoring a special event, meeting, or other function in the state of Colorado that is not part of the organization's regular activities in the state;~~

SECTION 4. Effective date - applicability. This act takes effect July 1, 2018, and applies to any charitable organization sales and use tax exemptions claimed on or after said date.

SECTION 5. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 6, 2018