

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

INTRODUCED

LLS NO. 19-0225.01 Esther van Mourik x4215

SENATE BILL 19-006

SENATE SPONSORSHIP

Williams A.,

HOUSE SPONSORSHIP

Kraft-Tharp and Van Winkle,

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING AN ELECTRONIC SALES AND USE TAX SIMPLIFICATION**
102 **SYSTEM, AND, IN CONNECTION THEREWITH, REQUIRING THE**
103 **DEPARTMENT OF REVENUE TO CONDUCT A SOURCING METHOD**
104 **FOR THE DEVELOPMENT OF THE SYSTEM AND ESTABLISHING THE**
105 **IMPLEMENTATION OF THE SYSTEM FOR THE ACCEPTANCE OF**
106 **RETURNS AND PROCESSING OF PAYMENTS FOR THE SALES AND**
107 **USE TAX LEVIED BY THE STATE AND ANY LOCAL TAXING**
108 **JURISDICTIONS.**

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

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.

[http://leg.colorado.gov/.](http://leg.colorado.gov/))

Sales and Use Tax Simplification Task Force. The bill requires the department of revenue (department), within existing resources, to conduct a sourcing method in accordance with the applicable provisions of the procurement code, and any applicable rules, for the development of an electronic sales and use tax simplification system (system). The bill also requires the department to involve stakeholders to develop the scope of work.

The bill specifies that on and after the date the system is online the department is required to accept any returns and payments processed through the system for state sales and use tax and for any sales and use taxes that are collected by the department on behalf of any local taxing jurisdiction.

The bill specifies that it is the general assembly's intent that a certain number of local taxing jurisdictions with home rule charters voluntarily use the system when the system comes online. Additionally, the bill states that it is the general assembly's intent that all local taxing jurisdictions with home rule charters voluntarily use the system within a specified number of years.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) The sales and use tax simplification task force (task force) has
5 met several times in the interim between the 2018 and 2019 legislative
6 sessions and has again heard testimony from both businesses and local
7 governments about the complex nature of our state and local sales and use
8 tax system;

9 (b) In enacting this act, the task force's objective is to take the next
10 step toward the development and implementation of an electronic sales
11 and use tax simplification system to be used by the state and local taxing
12 jurisdictions for the acceptance of returns and processing of payments for
13 the sales and use tax levied by the state and any local taxing jurisdictions;

14 (c) It is the task force's intent that the electronic sales and use tax

1 simplification system allow for various payment options, including
2 contributions by the state, local taxing jurisdictions, or retailers; and

3 (d) It is the task force's intent to move forward with simplifying
4 certain administrative details of the state and local sales and use tax
5 system for the state and local taxing jurisdictions, but on an elective basis
6 for any municipality with a home rule charter in order to protect the
7 important legal authority of such entities as set forth in section 6 of article
8 XX of the state constitution.

9 **SECTION 2.** In Colorado Revised Statutes, **add** 39-26-802.7 as
10 follows:

11 **39-26-802.7. Electronic sales and use tax simplification system**
12 **- sourcing method - implementation - legislative intent - definitions.**

13 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
14 REQUIRES:

15 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

16 (b) "LOCAL TAXING JURISDICTION" MEANS A CITY, TOWN,
17 MUNICIPALITY, COUNTY, SPECIAL DISTRICT, OR AUTHORITY AUTHORIZED
18 TO LEVY A SALES OR USE TAX PURSUANT TO TITLE 24, 25, 29, 30, 31, 32,
19 37, 42, OR 43, AND ANY COUNTY, CITY AND COUNTY, OR MUNICIPALITY
20 GOVERNED BY A HOME RULE CHARTER.

21 (c) "SALES AND USE TAX SIMPLIFICATION TASK FORCE" OR "TASK
22 FORCE" MEANS THE SALES AND USE TAX SIMPLIFICATION TASK FORCE
23 CREATED IN SECTION 39-26-802.

24 (2) (a) THE DEPARTMENT, WITHIN EXISTING RESOURCES, SHALL
25 CONDUCT A SOURCING METHOD IN ACCORDANCE WITH THE APPLICABLE
26 PROVISIONS OF THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF
27 TITLE 24, AND ANY APPLICABLE RULES, FOR THE DEVELOPMENT OF AN

1 ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM. THE
2 DEPARTMENT SHALL INVOLVE STAKEHOLDERS TO DEVELOP THE SCOPE OF
3 WORK.

4 (b) ON AND AFTER THE DATE THE ELECTRONIC SALES AND USE TAX
5 SIMPLIFICATION SYSTEM IS ONLINE, AND NOTWITHSTANDING ANY LAW TO
6 THE CONTRARY, THE DEPARTMENT SHALL ACCEPT ANY RETURNS AND
7 PAYMENTS PROCESSED THROUGH THE SYSTEM FOR STATE SALES AND USE
8 TAX AND FOR ANY SALES AND USE TAXES THAT ARE COLLECTED BY THE
9 DEPARTMENT ON BEHALF OF ANY LOCAL TAXING JURISDICTION.

10 (c) (I) ON AND AFTER THE DATE THE ELECTRONIC SALES AND USE
11 TAX SIMPLIFICATION SYSTEM IS ONLINE, IT IS THE GENERAL ASSEMBLY'S
12 INTENT THAT AT LEAST THREE LOCAL GOVERNMENTS GOVERNED BY A
13 HOME RULE CHARTER VOLUNTARILY USE THE SYSTEM FOR ACCEPTING
14 RETURNS AND PROCESSING PAYMENTS OF ANY LOCAL SALES AND USE TAX.

15 (II) IT IS THE GENERAL ASSEMBLY'S INTENT THAT THE VOLUNTARY
16 USE OF THE SYSTEM INCREASE EVERY YEAR SO THAT NO LATER THAN
17 THREE YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION ALL LOCAL
18 GOVERNMENTS GOVERNED BY A HOME RULE CHARTER ARE VOLUNTARILY
19 USING THE SYSTEM.

20 (3) IN THE INTERIM BETWEEN THE 2019 AND 2020 LEGISLATIVE
21 SESSIONS, THE DEPARTMENT SHALL REGULARLY PROVIDE THE SALES AND
22 USE TAX SIMPLIFICATION TASK FORCE WITH ANY SUCH DETAILED
23 INFORMATION REGARDING THE SOURCING METHOD PROGRESS AS IS
24 ALLOWED UNDER THE PROCUREMENT CODE.

25 **SECTION 3. Safety clause.** The general assembly hereby finds,
26 determines, and declares that this act is necessary for the immediate
27 preservation of the public peace, health, and safety.