



## **Summary of Legislation**

This bill increases the amount of sales by a charitable organization that can be exempted from sales tax from \$25,000 to \$45,000 per year. The bill removes the requirement that these occasional sales take place no more than 12 days per year, and also changes the requirement regarding when charitable organizations begin collecting taxes to when they have sold over \$45,000 in tangible goods, commodities, or services.

## **Assumptions**

Comprehensive data do not exist on charitable organizations that have taxable sales or occasional sales. It is assumed that at least 60 charitable organizations will be impacted by this bill, representing organizations with up to \$45,000 in sales. These organizations are assumed to collect sales tax under current law. If more information becomes available, this fiscal note will be updated accordingly.

## **State Revenue**

This bill is estimated to decrease state General Fund revenue by at least \$34,800 in FY 2019-20 and by at least \$35,600 in FY 2020-21, with similar impacts in future years. This revenue is subject to TABOR. The state is not expected to collect a TABOR surplus in FY 2019-20 or FY 2020-21.

## **State Expenditures**

This bill will have a workload impact on the Department of Revenue to update instructions and documentation, which can be achieved with existing resources. The Department of Personnel and Administration may have a workload reduction for document management if the number of sales tax filings decreases in line with the increased exemption.

## **Local Government**

This bill will have a minimal fiscal impact for those local taxing jurisdictions that have adopted the state's sales tax base and include this exemption.

## **Effective Date**

The bill was signed into law by the Governor on May 23, 2019, and took effect August 2, 2019. The bill applies to sales that occur beginning January 1, 2020.

## **State and Local Government Contacts**

Counties  
Regional Transportation District

Municipalities  
Revenue

Personnel