

## CHAPTER 269

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**GOVERNMENT - STATE**


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## SENATE BILL 19-248

BY SENATOR(S) Tate and Bridges, Todd, Court, Donovan, Moreno, Pettersen, Priola;  
 also REPRESENTATIVE(S) Singer and Baisley, Titone, Arndt, Benavidez, Buentello, Duran, Gray, Hooton, Jaquez Lewis, Kipp,  
 Lontine, Michaelson Jenet, Pelton, Saine, Sandridge, Snyder, Valdez A., Valdez D., Van Winkle, Becker.

## AN ACT

**CONCERNING A REQUIREMENT THAT THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL  
 CONVENE A WORKING GROUP TO CONDUCT AN ANALYSIS OF THE STATE TAX SYSTEM USED BY THE  
 DEPARTMENT OF REVENUE, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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

**SECTION 1.** In Colorado Revised Statutes, 2-3-304, **add** (8) as follows:

**2-3-304. Director of research - assistants - repeal.** (8) (a) THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL, IN COORDINATION WITH THE OTHER NONPARTISAN LEGISLATIVE STAFF AGENCIES, THE DEPARTMENT OF REVENUE, THE DEPARTMENT OF PERSONNEL, AND THE GOVERNOR'S OFFICE OF INFORMATION TECHNOLOGY, SHALL CONVENE A STATE TAX SYSTEM WORKING GROUP TO MEET DURING THE INTERIM FOLLOWING THE FIRST REGULAR SESSION OF THE SEVENTY-SECOND GENERAL ASSEMBLY AND TO CONDUCT AN ANALYSIS OF THE STATE TAX SYSTEM CURRENTLY USED BY THE DEPARTMENT OF REVENUE. THE WORKING GROUP SHALL EVALUATE AND CONSIDER THE FOLLOWING:

(I) THE DEFICITS OF THE CURRENT STATE TAX SYSTEM, INCLUDING REQUESTS THAT THE SYSTEM CANNOT SATISFY STAKEHOLDER DISSATISFACTION WITH THE SYSTEM;

(II) THE BENEFIT OF OWNERSHIP OF THE CURRENT TAX SYSTEM IN RELATIONSHIP TO THE COSTS OF THE TOTAL DEFICITS OF THE CURRENT SYSTEM;

(III) WHETHER IT WOULD BE MORE BENEFICIAL TO STAKEHOLDERS AND COST-EFFECTIVE FOR THE STATE TO MAKE ADJUSTMENTS AND NEW INVESTMENTS IN THE CURRENT STATE TAX SYSTEM TO ADDRESS THE DEFICITS OF THE SYSTEM OR TO

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

PURSUE A REPLACEMENT SYSTEM;

(IV) POTENTIAL AREAS OF IMPROVEMENT FOR THE CURRENT STATE TAX SYSTEM, INCLUDING OPTIONS TO PROVIDE A ROBUST TAX REPORTING AND ANALYTICS SOLUTION AND OPTIONS TO DEVELOP AND MAINTAIN AN EXTERNAL SEVERANCE TAX MODULE THAT INTERFACES WITH THE CURRENT STATE TAX SYSTEM;

(V) OPTIONS FOR MANAGING THE RECURRING CHANGES IN TAX DATA AND THE METHOD BY WHICH NEWLY REQUESTED TAX REPORTS ARE IMPLEMENTED AND GENERATED TO TRACK THOSE TAX CHANGES; AND

(VI) ANY OTHER EVALUATIONS OR CONSIDERATIONS DEEMED NECESSARY BY THE WORKING GROUP IN CONNECTION WITH THE STATE TAX SYSTEM.

(b) THE STATE TAX SYSTEM WORKING GROUP SHALL HOLD ITS FIRST MEETING ON OR BEFORE JUNE 1, 2019.

(c) THE STATE TAX SYSTEM WORKING GROUP MAY SOLICIT INPUT FROM ANY ADDITIONAL INTERESTED PARTIES AS DEEMED NECESSARY AND APPROPRIATE BY THE WORKING GROUP.

(d) ON OR BEFORE OCTOBER 1, 2019, THE STATE TAX SYSTEM WORKING GROUP SHALL PROVIDE AN UPDATE TO THE JOINT TECHNOLOGY COMMITTEE AND THE JOINT BUDGET COMMITTEE REGARDING THE PROGRESS OF THE WORKING GROUP'S EVALUATIONS AND CONSIDERATIONS PURSUANT TO THIS SUBSECTION (8).

(e) ON OR BEFORE DECEMBER 1, 2019, THE STATE TAX SYSTEM WORKING GROUP SHALL SUBMIT A REPORT OF ITS FINDINGS AND RECOMMENDATIONS TO THE JOINT TECHNOLOGY COMMITTEE, THE JOINT BUDGET COMMITTEE, AND THE FINANCE COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE. THE REPORT SHALL INCLUDE:

(I) THE FINDINGS AND RECOMMENDATIONS OF THE WORKING GROUP IN CONNECTION WITH THE ITEMS SPECIFIED IN SUBSECTION (8)(a) OF THIS SECTION;

(II) A RECOMMENDATION REGARDING WHETHER AN INDEPENDENT THIRD-PARTY ASSESSMENT OF THE STATE TAX SYSTEM IS NECESSARY; AND

(III) A RECOMMENDATION REGARDING WHETHER TO CONTINUE THE WORK OF THE WORKING GROUP THROUGH THE INTERIM FOLLOWING THE SECOND REGULAR SESSION OF THE SEVENTY-SECOND GENERAL ASSEMBLY.

(f) THIS SUBSECTION (8) IS REPEALED, EFFECTIVE JUNE 30, 2020.

**SECTION 2. Appropriation.** (1) For the 2019-20 state fiscal year, \$44,552 is appropriated to the legislative department. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:

(a) \$36,997 for use by the legislative council, which amount is based on an assumption that the legislative council will require an additional 0.4 FTE; and

(b) \$7,555 for use by the office of legislative legal services, which amount is based on an assumption that the office will require an additional 0.1 FTE.

(2) For the 2019-20 state fiscal year, \$30,000 is appropriated to the department of revenue. This appropriation is from the general fund. To implement this act, the department may use this appropriation for personal services related to taxation administration.

**SECTION 3. 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: May 23, 2019