

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 20-0167.01 Jery Payne x2157

SENATE BILL 20-067

SENATE SPONSORSHIP

Crowder,

HOUSE SPONSORSHIP

(None),

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 CONCERNING THE USE OF A VEHICLE'S ACTUAL PURCHASE PRICE TO
102 DETERMINE THE TAXABLE VALUE FOR THE COMPUTATION OF
103 SPECIFIC OWNERSHIP TAX.

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>.)

Current law uses the manufacturer's suggested retail price (MSRP) of a vehicle to determine taxable value, which is used to determine the amount of the specific ownership tax. For class A and B vehicles that weigh 16,000 pounds or less, current law uses 75% of the MSRP; for class C and D vehicles, current law uses 85% of MSRP.

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.

The bill changes this taxable value from MSRP to the actual purchase price.

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

2 **SECTION 1.** In Colorado Revised Statutes, 42-3-107, **amend**
3 (1)(a)(I), (1)(b), (1)(c), (9)(a), (9)(b), (9)(c), (14), (15)(c) introductory
4 portion, and (15)(d); and **add** (15)(c.5) as follows:

5 **42-3-107. Taxable value of classes of property - rate of tax -**
6 **when and where payable - department duties - apportionment of tax**
7 **collections - definitions - rules - repeal.** (1) (a) (I) Except as provided
8 in ~~subparagraph (I.5) of this paragraph~~ (a) SUBSECTION (1)(a)(I.5) OF THIS
9 SECTION, the taxable value of every item of Class A or Class B personal
10 property ~~greater than sixteen thousand pounds declared empty vehicle~~
11 ~~weight shall be~~ IS the actual purchase price of ~~such~~ THE property. ~~Such~~
12 THE price shall not include any applicable federal excise tax, including
13 the excise tax on the first retail sale of a heavy truck, trailer, or tractor for
14 which the seller is liable; transportation or shipping costs; or preparation
15 and delivery costs. ~~The taxable value of every item of Class A or Class B~~
16 ~~personal property less than or equal to sixteen thousand pounds declared~~
17 ~~empty vehicle weight shall be seventy-five percent of the manufacturer's~~
18 ~~suggested retail price.~~

19 (b) Every licensed motor vehicle dealer in Colorado shall furnish
20 on the application for title ~~the manufacturer's suggested retail price and~~
21 the actual purchase price on each new motor vehicle sold and delivered
22 in Colorado.

23 (c) If a motor vehicle purchased outside Colorado is registered for
24 the first time in Colorado and ~~neither the manufacturer's suggested retail~~
25 ~~price nor~~ the actual purchase price is NOT available, the agent of the

1 department shall establish the taxable value of ~~such~~ THE vehicle through
2 the use of a compilation of values furnished by the department.

3 (9) (a) The taxable value of every item of Class C or Class D
4 personal property ~~shall be eighty-five percent of the manufacturer's~~
5 ~~suggested retail~~ IS THE ACTUAL PURCHASE price, not including applicable
6 federal excise tax, transportation or shipping costs, or preparation and
7 delivery costs.

8 (b) Every licensed motor vehicle dealer in Colorado shall furnish
9 on the application for title the ~~manufacturer's suggested retail~~ ACTUAL
10 PURCHASE price of each new motor vehicle sold and delivered in
11 Colorado.

12 (c) If a motor vehicle purchased outside of Colorado is registered
13 for the first time in Colorado and the ~~manufacturer's suggested retail~~
14 ACTUAL PURCHASE price is not available, the agent of the department shall
15 establish the taxable value of ~~such~~ THE vehicle through the use of a
16 compilation of values furnished by the department.

17 (14) The department shall designate suitable compilations of the
18 ~~manufacturer's suggested retail price or~~ actual purchase price of all items
19 of Class A, Class B, Class C, and Class D personal property and shall
20 provide each authorized agent with copies. Unless the actual purchase
21 price is used as the taxable value, ~~such~~ THE DEPARTMENT SHALL USE THE
22 compilation ~~shall be uniformly used~~ to compute the annual specific
23 ownership tax payable on any item of ~~such~~ classified personal property
24 purchased outside Colorado and registered for the first time in Colorado.
25 ~~Such actual purchase price shall not be used unless the department~~
26 ~~receives or has received a manufacturer's statement or certificate of origin~~
27 ~~for such vehicle.~~ The department shall provide continuing supplements

1 of such THE compilation to each authorized agent in order that the agent
2 may have available current information. ~~relative to the manufacturer's~~
3 ~~suggested retail price of newly manufactured items.~~

4 (15) (c) The taxable value of Class F personal property acquired
5 on or after January 1, 1997, ~~shall be~~ AND BEFORE JANUARY 1, 2021, IS
6 determined by the property tax administrator and ~~shall be~~ IS either:

7 (c.5) THE TAXABLE VALUE OF CLASS F PERSONAL PROPERTY
8 ACQUIRED ON OR AFTER JANUARY 1, 2021, IS DETERMINED BY THE
9 PROPERTY TAX ADMINISTRATOR AND IS EITHER:

10 (I) IF THE ORIGINAL RETAIL DELIVERED PRICE OF EITHER THE
11 VEHICLE OR ANY EQUIPMENT SUBSEQUENTLY MOUNTED THEREON IS
12 ASCERTAINABLE:

13 (A) THE PROPERTY'S ORIGINAL RETAIL DELIVERED PRICE TO THE
14 CUSTOMER, NOT INCLUDING ANY STATE AND LOCAL TAXES; OR

15 (B) IF EQUIPMENT HAS BEEN MOUNTED ON OR ATTACHED TO THE
16 VEHICLE AFTER THE VEHICLE'S FIRST RETAIL SALE, THEN THE ORIGINAL
17 RETAIL DELIVERED PRICE TO THE CUSTOMER PLUS THE ORIGINAL RETAIL
18 DELIVERED PRICE TO THE CUSTOMER OF THE MOUNTED EQUIPMENT, NOT
19 INCLUDING ANY STATE AND LOCAL TAXES; OR

20 (II) IF THE ORIGINAL RETAIL DELIVERED PRICE OF EITHER THE
21 VEHICLE OR ANY EQUIPMENT SUBSEQUENTLY MOUNTED THEREON IS NOT
22 ASCERTAINABLE, THEN EITHER:

23 (A) THE VALUE THAT THE PROPERTY TAX ADMINISTRATOR
24 ESTABLISHES BASED ON EIGHTY-FIVE PERCENT OF THE VALUE SET FORTH
25 IN A NATIONALLY RECOGNIZED STANDARD OR REFERENCE FOR THE FIGURE;
26 OR

27 (B) IF A STANDARD OR REFERENCE FOR THE FIGURE IS NOT

1 AVAILABLE, THEN ON THE BEST INFORMATION AVAILABLE TO THE
2 PROPERTY TAX ADMINISTRATOR.

3 (d) By whichever of the above ~~three~~ methods determined, the
4 taxable value of each item of Class F personal property ~~shall~~ MUST be
5 listed opposite its description in the schedule required by this subsection
6 (15) to be compiled by the property tax administrator.

7 **SECTION 2. Act subject to petition - effective date -**
8 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
9 the expiration of the ninety-day period after final adjournment of the
10 general assembly (August 5, 2020, if adjournment sine die is on May 6,
11 2020); except that, if a referendum petition is filed pursuant to section 1
12 (3) of article V of the state constitution against this act or an item, section,
13 or part of this act within such period, then the act, item, section, or part
14 will not take effect unless approved by the people at the general election
15 to be held in November 2020 and, in such case, will take effect on the
16 date of the official declaration of the vote thereon by the governor.

17 (2) This act applies to vehicles sold on or after January 1, 2021.