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Fiscal Note

Drafting Number: LLS 21-0358
Prime Sponsors: Sen. Liston
Rep. Mullica

Date: February 16, 2021
Bill Status: Senate Finance
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Bill Topic: **GASOLINE & SPECIAL FUELS TAX INFORMATION DISCLOSURE**

Summary of Fiscal Impact:

- | | |
|---|--|
| <input checked="" type="checkbox"/> State Revenue (minimal) | <input type="checkbox"/> TABOR Refund |
| <input type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

This bill allows the executive director of the department of revenue to disclose information gathered from an assessment of a gasoline or special fuels distributor to other taxpayers and requires a distributor to disclose certain records to local government officials upon written request. This bill may minimally increase state and local government gasoline and fuel tax revenue if it results in increased taxpayer compliance.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

The bill changes and clarifies information disclosure requirements related to reports and tax returns for gasoline and special fuels. The bill allows the executive director of the Department of Revenue to disclose information from an assessment of a gasoline distributor that fails to provide necessary or correct reporting or tax with taxpayers with similar cases. Taxpayers who receive this information are subject to taxpayer confidentiality requirements.

Upon written request by local government officials, the bill also requires gasoline distributors to disclose certain records to local government officials conducting investigation related to alleged fuel excise tax administration violations. The information acquired by the local government official is subject to confidentiality requirements.

Background

Current law requires that gasoline distributors in Colorado keep records of purchases, acquisitions, sales, and distribution of fuels. Gasoline distributors are also required to file a monthly form with the Department of Revenue that shows the quantities of various gasoline products that were acquired and distributed, along with other information needed to determine excise taxes. The Department of Revenue is tasked with enforcing fuel excise tax laws, and the department is authorized to inspect distributors' records to ensure gasoline tax is accurately collected and remitted. If a distributor fails to file the required forms, pay the necessary taxes, or files an inaccurate or fraudulent form, the department may initiate an assessment to collect additional taxes.

State Revenue

This bill may increase state revenue if it leads to increased fuel excise tax compliance. The degree of compliance and amount of revenue that would be collected is expected to be minimal. Fuel excise tax revenue is subject to TABOR and revenue goes to the Highway Users Tax Fund.

Local Government

The bill may increase local government revenue through fuel excise tax distributions from the state Highway Users Tax Fund to counties and municipalities as specified in state statute.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties	Information Technology	Labor
Local Affairs	Municipalities	Natural Resources
Personnel	Public Health and Environment	Regulatory Agencies
Revenue		