

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 22-0729.01 Megan McCall x4215

SENATE BILL 22-006

SENATE SPONSORSHIP

Kolker and Rodriguez,

HOUSE SPONSORSHIP

McLachlan and Snyder,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING AN INCREASE IN THE AMOUNT OF SALES TAX REVENUE**
102 **THAT A RETAILER MAY RETAIN TO COVER THE RETAILER'S**
103 **EXPENSE IN COLLECTING AND REMITTING THE TAX, AND, IN**
104 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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/>.)

The bill permits a retailer with total taxable sales in the amount of \$100,000 or less to retain 5.3% of the sales tax reported as compensation for the retailer's expenses incurred in collecting and remitting the tax

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.

SENATE
Amended 2nd Reading
March 11, 2022

(vendor fee) for sales made in 2023, rather than retaining a 4% vendor fee, which is what current law allows. The bill also clarifies that the calculation of the amount that is credited to the housing development grant fund is only based on the changes to the vendor fee from House Bill 19-1245, and not on any subsequent modifications, including those changes made in this bill.

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 ongoing COVID-19 pandemic has caused adverse impacts
5 to small businesses in Colorado and continues to do so;

6 (b) The financial viability of small businesses is critical to
7 Colorado's economic recovery from the impacts of COVID-19;

8 (c) Retail businesses in Colorado are required to collect and remit
9 sales tax revenue to the state; except that a retailer may retain a certain
10 percentage of the sales tax collected for the expense of collecting and
11 remitting the sales tax revenue; and

12 (d) The general assembly finds that in order to provide financial
13 relief to small retail businesses in the state, department of revenue shall
14 permit retailers with a certain amount of taxable sales to retain a larger
15 percentage of the sales tax they collect.

16 **SECTION 2.** In Colorado Revised Statutes, 39-26-105, **amend**
17 (1)(d)(I) as follows:

18 **39-26-105. Vendor liable for tax - definitions - repeal.**

19 (1) (d) (I) (A) For sales made on or after January 1, 2020, EXCEPT AS
20 PROVIDED IN SUBSECTION (1)(d)(I)(B) OF THIS SECTION, the amount
21 retained by a retailer to cover the retailer's expense in collecting and
22 remitting tax in accordance with this section is four percent of the tax

1 reported; except that a retailer shall not retain more than one thousand
2 dollars in any filing period.

3 (B) FOR SALES MADE ON AND AFTER JANUARY 1, 2023, BUT
4 BEFORE JANUARY 1, 2024, THE AMOUNT RETAINED BY A RETAILER TO
5 COVER THE RETAILER'S EXPENSE IN COLLECTING AND REMITTING TAX IN
6 ACCORDANCE WITH THIS SECTION FOR ANY FILING PERIOD THAT THE
7 RETAILER'S TOTAL TAXABLE SALES ARE LESS THAN OR EQUAL TO ONE
8 HUNDRED THOUSAND DOLLARS IS FIVE AND THREE-TENTHS PERCENT OF
9 THE TAX REPORTED; EXCEPT THAT A RETAILER SHOULD NOT RETAIN MORE
10 THAN ONE THOUSAND DOLLARS IN ANY FILING PERIOD. THIS SUBSECTION
11 (1)(d)(I)(B) IS REPEALED, EFFECTIVE JANUARY 1, 2032.

12 **SECTION 3.** In Colorado Revised Statutes, 39-26-123, **amend**
13 (3)(b)(I); and **repeal** (1)(a) as follows:

14 **39-26-123. Receipts - disposition - transfers of general fund**
15 **surplus - sales tax holding fund - creation - definitions.** (1) As used in
16 this section, unless the context otherwise requires:

17 (a) ~~"Increase in sales and use tax revenue attributable to the~~
18 ~~vendor fee changes" means an amount equal to the net revenue for a fiscal~~
19 ~~year minus what the net revenue would have been for the fiscal year if the~~
20 ~~amount retained by a vendor to cover the vendor's expenses in collecting~~
21 ~~and remitting sales tax had not been modified by House Bill 19-1245,~~
22 ~~enacted in 2019.~~

23 (3) For any state fiscal year commencing on or after July 1, 2013,
24 the state treasurer shall credit eighty-five percent of all net revenue
25 collected under this article 26 to the old age pension fund created in
26 section 1 of article XXIV of the state constitution. The state treasurer
27 shall credit to the general fund the remaining fifteen percent of the net

1 revenue, less:

2 (b) (I) Except as set forth in subsection (3)(b)(II) of this section,
3 an amount equal to the FISCAL YEAR increase in sales and use tax revenue
4 attributable to the vendor fee changes MADE BY HOUSE BILL 19-1245,
5 ENACTED IN 2019, which amount the state treasurer shall credit to the
6 housing development grant fund created in section 24-32-721 (1).

7 **SECTION 4. Appropriation.** (1) For the 2022-23 state fiscal
8 year, \$61,980 is appropriated to the department of revenue. This
9 appropriation is from the general fund. To implement this act, the
10 department may use this appropriation as follows:

11 (a) \$16,875 for tax administration IT system (GenTax) support;

12 (b) \$6,400 for use by the executive director's office for personal
13 services;

14 (c) \$33,705 for use by the taxation services division for personal
15 services; and

16 (d) \$5,000 for use by the taxation services division for operating
17 expenses.

18 **SECTION 5. Act subject to petition - effective date.** This act
19 takes effect at 12:01 a.m. on the day following the expiration of the
20 ninety-day period after final adjournment of the general assembly; except
21 that, if a referendum petition is filed pursuant to section 1 (3) of article V
22 of the state constitution against this act or an item, section, or part of this
23 act within such period, then the act, item, section, or part will not take
24 effect unless approved by the people at the general election to be held in
25 November 2022 and, in such case, will take effect on the date of the
26 official declaration of the vote thereon by the governor.