

**Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO**

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 22-0729.01 Megan McCall x4215

**SENATE BILL 22-006**

**SENATE SPONSORSHIP**

**Kolker and Rodriguez**, Bridges, Cooke, Gardner, Hansen, Hisey, Holbert, Kirkmeyer, Lee, Liston, Lundeen, Pettersen, Priola, Rankin, Simpson, Smallwood, Woodward

**HOUSE SPONSORSHIP**

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**Senate Committees**

Finance  
Appropriations

**House Committees**

Finance  
Appropriations

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**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.**

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**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.*

HOUSE  
3rd Reading Unamended  
May 9, 2022

HOUSE  
Amended 2nd Reading  
May 5, 2022

SENATE  
3rd Reading Unamended  
March 14, 2022

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.

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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, 39-21-119.5, **add** (7)  
17 as follows:

18 **39-21-119.5. Mandatory electronic filing of returns -**  
19 **mandatory electronic payment - penalty - waiver - definitions.**

20 (7) (a) IN ORDER TO INDUCE THE ELECTRONIC PAYMENT OF TAXES AND  
21 FEES ADMINISTERED UNDER SECTION 39-21-102, THE EXECUTIVE  
22 DIRECTOR MAY DEDUCT PROCESSING COSTS FROM THE PAYMENT IN LIEU

1 OF IMPOSING A CONVENIENCE FEE, AND IF THE PROCESSING COSTS ARE  
2 DEDUCTED FROM THE PAYMENT, THE EXECUTIVE DIRECTOR SHALL CREDIT  
3 THE FULL AMOUNT OF THE PAYMENT COLLECTED TO THE TAXPAYER'S  
4 ACCOUNT. PROCESSING COSTS MAY BE DEDUCTED BY THE EXECUTIVE  
5 DIRECTOR UNDER THIS SUBSECTION (7) REGARDLESS OF IF ELECTRONIC  
6 PAYMENT IS MANDATED UNDER THIS SECTION.

7 (b) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, IF THE  
8 EXECUTIVE DIRECTOR DEDUCTS PROCESSING COSTS PURSUANT TO THIS  
9 SUBSECTION (7), THE STATE TREASURER SHALL CREDIT THE FULL AMOUNT  
10 OF THE PAYMENT COLLECTED LESS THE DEDUCTED PROCESSING COSTS TO  
11 THE APPROPRIATE FUND.

12 (c) IF THE EXECUTIVE DIRECTOR IS REQUIRED TO DISTRIBUTE  
13 PAYMENT TO A LOCAL GOVERNMENT, THE EXECUTIVE DIRECTOR SHALL  
14 DEDUCT THE PROCESSING COSTS FROM STATE REVENUE AND SHALL NOT  
15 REDUCE THE AMOUNT DISTRIBUTED TO THE LOCAL GOVERNMENT.

16 (d) AS USED IN THIS SUBSECTION (7):

17 (I) "CONVENIENCE FEE" MEANS THE CONVENIENCE FEE THAT A  
18 STATE GOVERNMENTAL ENTITY IS AUTHORIZED TO IMPOSE ON A PERSON  
19 THAT USES ALTERNATIVE FORMS OF PAYMENT UNDER SECTION  
20 24-19.5-103 (3).

21 (II) "PROCESSING COSTS" MEANS THE ACTUAL COSTS INCURRED BY  
22 THE DEPARTMENT TO PROCESS A TRANSACTION BY AN ALTERNATIVE FORM  
23 OF PAYMENT FOR WHICH THE DEPARTMENT IS AUTHORIZED TO IMPOSE A  
24 CONVENIENCE FEE.

25 **SECTION 3.** In Colorado Revised Statutes, 39-26-105, **amend**  
26 (1)(d)(I) as follows:

27 **39-26-105. Vendor liable for tax - definitions - repeal.**

1 (1) (d) (I) (A) For sales made on or after January 1, 2020, EXCEPT AS  
2 PROVIDED IN SUBSECTION (1)(d)(I)(B) OF THIS SECTION, the amount  
3 retained by a retailer to cover the retailer's expense in collecting and  
4 remitting tax in accordance with this section is four percent of the tax  
5 reported; except that a retailer shall not retain more than one thousand  
6 dollars in any filing period.

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

16 **SECTION 4.** In Colorado Revised Statutes, 39-26-123, **amend**  
17 (3)(b)(I); and **repeal** (1)(a) as follows:

18 **39-26-123. Receipts - disposition - transfers of general fund**  
19 **surplus - sales tax holding fund - creation - definitions.** (1) As used in  
20 this section, unless the context otherwise requires:

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

27 (3) For any state fiscal year commencing on or after July 1, 2013,

1 the state treasurer shall credit eighty-five percent of all net revenue  
2 collected under this article 26 to the old age pension fund created in  
3 section 1 of article XXIV of the state constitution. The state treasurer  
4 shall credit to the general fund the remaining fifteen percent of the net  
5 revenue, less:

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

11 **SECTION 5. Appropriation.** (1) For the 2022-23 state fiscal  
12 year, \$61,980 is appropriated to the department of revenue. This  
13 appropriation is from the general fund. To implement this act, the  
14 department may use this appropriation as follows:

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

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

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

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

22 **SECTION 6. Act subject to petition - effective date.** This act  
23 takes effect at 12:01 a.m. on the day following the expiration of the  
24 ninety-day period after final adjournment of the general assembly; except  
25 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
26 of the state constitution against this act or an item, section, or part of this  
27 act within such period, then the act, item, section, or part will not take

1 effect unless approved by the people at the general election to be held in  
2 November 2022 and, in such case, will take effect on the date of the  
3 official declaration of the vote thereon by the governor.