

CHAPTER 137

REVENUE - ACTIVITIES REGULATION

SENATE BILL 23-156

BY SENATOR(S) Kolker and Liston;
also REPRESENTATIVE(S) Snyder and Marshall, Bird, Epps, Lindsay.

AN ACT

CONCERNING THE CONTINUATION OF THE ISSUANCE OF CERTAIN TAX INFORMATION TO A TAXPAYER BY THE DEPARTMENT OF REVENUE, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE RECOMMENDATIONS CONTAINED IN THE 2022 SUNSET REPORT BY THE DEPARTMENT OF REGULATORY AGENCIES FOR THE ISSUANCE OF PRIVATE LETTER RULINGS AND INFORMATION LETTERS BY THE DEPARTMENT OF REVENUE AND MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 24-34-104, **repeal** (24)(a)(III) as follows:

24-34-104. General assembly review of regulatory agencies and functions for repeal, continuation, or reestablishment - legislative declaration - repeal. (24) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2023:

(III) ~~The issuance of information letters and private letter rulings by the executive director of the department of revenue in accordance with section 24-35-103.5;~~

SECTION 2. In Colorado Revised Statutes, 24-35-103.5, **amend** (1) and (3); and **repeal** (7) as follows:

24-35-103.5. Private letter rulings - information letters - fees - creation of fund - definitions. (1) ~~For purposes of~~ AS USED IN this section, unless the context otherwise requires:

(a) "Information letter" means a nonbinding statement issued by the department of revenue to a taxpayer that provides general information regarding any tax OR FEE administered by the department pursuant to ~~title 29 or 39, C.R.S.;~~ SECTION

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.

39-21-102 that is made in response to a written request from a taxpayer for such information.

(b) "Private letter ruling" means a written determination issued by the executive director of the department of revenue, or the executive director's designee, to a taxpayer on the tax consequences of a proposed or completed transaction under any tax OR FEE administered by the department pursuant to ~~title 29 or 39, C.R.S.~~ SECTION 39-21-102 that is made in response to a written request from a taxpayer for such a ruling.

(3) (a) EXCEPT AS SET FORTH IN SUBSECTION (3)(b) OF THIS SECTION, the executive director of the department of revenue shall issue private letter rulings within ninety days ~~of~~ AFTER the receipt of a written request by a taxpayer, unless the EXECUTIVE DIRECTOR DECLINES THE request. ~~is declined.~~ In the event THE EXECUTIVE DIRECTOR DECLINES a request for a private letter ruling, ~~is declined,~~ the executive director shall notify the taxpayer in writing of such declination no later than thirty days after the date the request was submitted to the department.

(b) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE MAY EXTEND THE NINETY-DAY PERIOD DESCRIBED IN SUBSECTION (3)(a) OF THIS SECTION UPON THE APPROVAL OF THE TAXPAYER.

~~(7) This section is repealed, effective September 1, 2023. Prior to such repeal, the information letter and private letter ruling function of the executive director of the department of revenue shall be reviewed as provided for in section 24-34-104. The general assembly shall not continue to authorize the department of revenue to retain full-time equivalent employee authorization to issue information letters and private letter rulings after this section is repealed.~~

SECTION 3. Appropriation. For the 2023-24 state fiscal year, \$53,644 is appropriated to the department of revenue for use by the taxation business group. This appropriation is from the private letter ruling fund created in section 24-35-103.5 (6), C.R.S., and is based on an assumption that the department will require an additional 0.8 FTE. To implement this act, the department may use this appropriation for personal services related to taxation services.

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 1, 2023