

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0549.01 Caroline Martin x5902

HOUSE BILL 24-1018

HOUSE SPONSORSHIP

Boesenecker,

SENATE SPONSORSHIP

Marchman,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING A SALES AND USE TAX EXEMPTION FOR COLLEGE
102 TEXTBOOKS.

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 creates a state sales and use tax exemption commencing on July 1, 2024, for all sales, storage, use, and consumption of college textbooks. The bill allows a county or municipality to choose to adopt the exemption by express inclusion in its sales and use tax ordinance or resolution.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-26-735 as
3 follows:

4 **39-26-735. Sales of college textbooks - definitions - repeal.**

5 (1) (a) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES
6 EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX
7 PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
8 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND
9 DECLARES THAT THE GENERAL PURPOSE OF THE TAX EXPENDITURE
10 CREATED IN SUBSECTION (3) OF THIS SECTION IS TO PROVIDE TAX RELIEF
11 FOR CERTAIN BUSINESSES AND INDIVIDUALS AND THAT THE SPECIFIC
12 PURPOSE OF THE TAX EXPENDITURE IS TO PROVIDE SUCH TAX RELIEF TO
13 STUDENTS ATTENDING COLLEGES AND UNIVERSITIES AND THEREBY
14 DECREASE THE COST OF EDUCATION FOR THOSE STUDENTS.

15 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
16 MEASURE THE EFFECTIVENESS OF THE EXEMPTION ALLOWED BY THIS
17 SECTION BASED ON THE TOTAL AMOUNT OF MONEY THAT COLLEGE
18 STUDENTS SAVE FROM THE STATE SALES AND USE TAX EXEMPTION ON
19 TEXTBOOKS.

20 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
21 REQUIRES:

22 (a) "COLLEGE STUDENT" MEANS A STUDENT WHO ATTENDS
23 CLASSES AT A COLLEGE OR UNIVERSITY THAT IS:

24 (I) A PRIVATE COLLEGE OR UNIVERSITY, A PRIVATE NONPROFIT
25 COLLEGE OR UNIVERSITY, A PRIVATE OCCUPATIONAL SCHOOL, A
26 SEMINARY, OR A STATE COLLEGE OR UNIVERSITY, AS THOSE TERMS ARE
27 DEFINED IN SECTION 23-2-102;

1 (II) AN AREA TECHNICAL COLLEGE, AS DEFINED IN SECTION
2 23-60-103; OR

3 (III) A LOCAL DISTRICT COLLEGE, AS DEFINED IN SECTION
4 23-71-102 (1)(a).

5 (b) "COLLEGE TEXTBOOK" MEANS A NEW OR USED TEXTBOOK,
6 DIGITAL TEXTBOOK OR GUIDE, OR OTHER BOOK THAT IS REQUIRED OR
7 RECOMMENDED TO BE PURCHASED FROM A COLLEGE OR UNIVERSITY CLASS
8 AND THAT IS PURCHASED FROM A CAMPUS BOOKSTORE ASSOCIATED WITH
9 THE COLLEGE OR UNIVERSITY.

10 (3) ON AND AFTER JULY 1, 2024, BUT BEFORE JULY 1, 2029, ALL
11 SALES, STORAGE, AND USES OF COLLEGE TEXTBOOKS THAT ARE
12 PURCHASED BY COLLEGE STUDENTS ARE EXEMPT FROM TAXATION UNDER
13 PARTS 1 AND 2 OF THIS ARTICLE 26.

14 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2032.

15 **SECTION 2.** In Colorado Revised Statutes, 29-2-105, **add**
16 (1)(d)(I)(V) as follows:

17 **29-2-105. Contents of sales tax ordinances and proposals.**

18 (1) The sales tax ordinance or proposal of any incorporated town, city,
19 or county adopted pursuant to this article 2 shall be imposed on the sale
20 of tangible personal property at retail or the furnishing of services, as
21 provided in subsection (1)(d) of this section. Any countywide or
22 incorporated town or city sales tax ordinance or proposal shall include the
23 following provisions:

24 (d) (I) A provision that the sale of tangible personal property and
25 services taxable pursuant to this article 2 is the same as the sale of
26 tangible personal property and services taxable pursuant to section
27 39-26-104, except as otherwise provided in this subsection (1)(d). The

1 sale of tangible personal property and services taxable pursuant to this
2 article 2 is subject to the same sales tax exemptions as those specified in
3 part 7 of article 26 of title 39; except that the sale of the following may be
4 exempted from a town, city, or county sales tax only by the express
5 inclusion of the exemption either at the time of adoption of the initial
6 sales tax ordinance or resolution or by amendment thereto:

7 (V) THE EXEMPTION FOR SALES OF COLLEGE TEXTBOOKS SET
8 FORTH IN SECTION 39-26-735.

9 **SECTION 3.** In Colorado Revised Statutes, 29-2-109, **amend** (1)
10 introductory portion as follows:

11 **29-2-109. Contents of use tax ordinances and proposals -**
12 **repeal.** (1) The use tax ordinance, resolution, or proposal of any town,
13 city, or county adopted pursuant to this article 2 shall be imposed only for
14 the privilege of using or consuming in the town, city, or county any
15 construction and building materials purchased at retail or for the privilege
16 of storing, using, or consuming in the town, city, or county any motor and
17 other vehicles, purchased at retail on which registration is required, or
18 both. For the purposes of this subsection (1), the term "construction and
19 building materials" shall not include parts or materials utilized in the
20 fabrication, construction, assembly, or installation of passenger tramways,
21 as defined in section 12-150-103 (5), by any ski area operator, as defined
22 in section 33-44-103 (7), or any person fabricating, constructing,
23 assembling, or installing a passenger tramway for a ski area operator. The
24 ordinance, resolution, or proposal may recite that the use tax shall not
25 apply to the storage and use of wood from salvaged trees killed or
26 infested in Colorado by mountain pine beetles or spruce beetles as
27 exempted from the state use tax pursuant to section 39-26-723. The

1 ordinance, resolution, or proposal may recite that the use tax shall not
2 apply to the storage and use of components used in the production of
3 energy, including but not limited to alternating current electricity, from
4 a renewable energy source, as exempted from the state use tax pursuant
5 to section 39-26-724. The ordinance, resolution, or proposal may recite
6 that the use tax shall not apply to the storage and use of eligible
7 decarbonizing building materials, as exempted from the state use tax
8 pursuant to section 39-26-731. THE ORDINANCE, RESOLUTION, OR
9 PROPOSAL MAY RECITE THAT THE USE TAX SHALL NOT APPLY TO THE
10 STORAGE AND USE OF COLLEGE TEXTBOOKS, AS EXEMPTED FROM THE
11 STATE USE TAX PURSUANT TO SECTION 39-26-735. The ordinance,
12 resolution, or proposal shall recite that the use tax shall not apply:

13 **SECTION 4. Effective date.** This act takes effect July 1, 2024.

14 **SECTION 5. Safety clause.** The general assembly finds,
15 determines, and declares that this act is necessary for the immediate
16 preservation of the public peace, health, or safety or for appropriations for
17 the support and maintenance of the departments of the state and state
18 institutions.