

**NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.**



HOUSE BILL 24-1050

BY REPRESENTATIVE(S) Taggart and Kipp, Amabile, Bird, Frizell, Joseph, Snyder, Story, Valdez, Woodrow, McCluskie;  
also SENATOR(S) Bridges and Van Winkle, Gonzales, Kirkmeyer, Kolker, Lundeen, Marchman, Priola, Smallwood, Fenberg.

CONCERNING THE SIMPLIFICATION OF PROCESSES RELATED TO TAXES IMPOSED BY LOCAL GOVERNMENTS, AND, IN CONNECTION THEREWITH, REQUIRING LOCAL TAXING JURISDICTIONS TO REPORT TO THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE INFORMATION ON LOCAL LODGING TAX AND BUILDING PERMIT-RELATED SALES OR USE TAX INFORMATION, REQUIRING THE EXECUTIVE DIRECTOR TO PUBLISH THAT INFORMATION, MODIFYING THE SCOPE OF THE SALES AND USE TAX SIMPLIFICATION TASK FORCE TO INCLUDE SIMPLIFICATION OF LOCAL LODGING TAX, REQUIRING THE SALES AND USE TAX SIMPLIFICATION TASK FORCE TO RECEIVE INFORMATION RELATED TO THE FEASIBILITY AND IMPLEMENTATION OF AN ELECTRONIC PORTAL FOR THE COLLECTION AND REMITTANCE OF LOCAL LODGING TAXES, AND MAKING AN APPROPRIATION.

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

**SECTION 1.** In Colorado Revised Statutes, 39-21-112, **add** (11) as

*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.*

follows:

**39-21-112. Duties and powers of executive director - reporting of information related to local lodging tax and sales or use tax on building or construction materials - definitions - repeal.** (11) (a) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(I) "APPLICABLE SALES OR USE TAX" MEANS A SALES OR USE TAX ON BUILDING OR CONSTRUCTION MATERIALS IMPOSED BY A LOCAL TAXING JURISDICTION.

(II) "BUILDING PERMIT-RELATED APPLICABLE SALES OR USE TAX INFORMATION" MEANS THE FOLLOWING INFORMATION:

(A) THE TAX RATE OF ALL APPLICABLE SALES OR USE TAXES, INCLUDING APPLICABLE SALES OR USE TAXES IMPOSED ON THE ITEMS IDENTIFIED IN SUBSECTION (11)(a)(II)(E) OF THIS SECTION;

(B) THE TIMING OF WHEN THE APPLICABLE SALES OR USE TAX MUST BE PAID TO THE LOCAL TAXING JURISDICTION AND IF THE LOCAL TAXING JURISDICTION REQUIRES PRE-PAYMENT OF THE APPLICABLE SALES OR USE TAX, THE PERCENTAGE BASIS FOR THE PRE-PAID AMOUNT REQUIRED;

(C) ANY EXEMPTIONS ON PURCHASES SUBJECT TO THE APPLICABLE SALES OR USE TAX;

(D) WHETHER THE LOCAL TAXING JURISDICTION INCLUDES THE APPLICABLE SALES OR USE TAX DUE ON A BUILDING PERMIT AND WHETHER ANY OTHER INFORMATION IS INCLUDED ON BUILDING PERMITS; AND

(E) WHETHER THE LOCAL TAXING JURISDICTION IMPOSES A SALES OR USE TAX ON CONSTRUCTION EQUIPMENT BROUGHT INTO THE LOCAL TAXING JURISDICTION, ON STORAGE OF EQUIPMENT WITHIN THE LOCAL TAXING JURISDICTION, OR ON SERVICES.

(III) "CONSTRUCTION EQUIPMENT" MEANS ANY EQUIPMENT, INCLUDING MOBILE MACHINERY AND MOBILE EQUIPMENT, WHICH IS USED TO ERECT, INSTALL, ALTER, DEMOLISH, REPAIR, REMODEL, OR OTHERWISE MAKE IMPROVEMENTS TO ANY REAL PROPERTY, BUILDING, STRUCTURE OR INFRASTRUCTURE.

(IV) "LOCAL LODGING TAX" HAS THE SAME MEANING AS SET FORTH IN SECTION 39-26-802 (1)(a.5)(II).

(V) "LOCAL LODGING TAX INFORMATION" MEANS THE FOLLOWING INFORMATION FOR ALL LOCAL LODGING TAX IMPOSED BY THE LOCAL TAXING JURISDICTION:

(A) THE TAX RATE;

(B) THE TYPES OF LODGING THAT THE LOCAL LODGING TAX APPLIES TO, INCLUDING ANY CONDITIONS GOVERNING THE APPLICATION OF THE LOCAL LODGING TAX BY LODGING TYPE, SUCH AS, MINIMUM NUMBER OF ROOMS IN A PROPERTY OR USE OF ACCOMMODATIONS;

(C) THE NUMBER OF DAYS AFTER WHICH A STAY IS EXEMPT, WHICH MAY BE REFERRED TO AS A LENGTH OF STAY EXEMPTION; AND

(D) THE AMOUNT OF THE LOCAL LODGING TAX THAT IS PERMITTED TO BE RETAINED BY THE PARTY RESPONSIBLE FOR COLLECTION OF THE LOCAL LODGING TAX IN EXCHANGE FOR TIMELY FILING, WHICH MAY BE REFERRED TO AS A VENDOR FEE, SERVICE FEE, OR TIMELY FILING DISCOUNT.

(VI) "LOCAL TAXING JURISDICTION" MEANS A COUNTY, HOME RULE COUNTY, STATUTORY TOWN OR CITY, HOME RULE TOWN OR CITY, CITY AND COUNTY, OR TERRITORIAL CHARTER TOWN OR CITY THAT IMPOSES A LOCAL LODGING TAX OR IMPOSES AN APPLICABLE SALES OR USE TAX.

(b) BY NOT LATER THAN JULY 1, 2025, AND BY NOT LATER THAN JANUARY 1 AND JULY 1 OF EACH YEAR THEREAFTER, THE EXECUTIVE DIRECTOR SHALL, IN A FORM AND IN A MANNER PRESCRIBED BY THE DEPARTMENT, PUBLISH LOCAL LODGING TAX INFORMATION AND BUILDING PERMIT-RELATED APPLICABLE SALES OR USE TAX INFORMATION.

(c) (I) FOR THE PURPOSE OF ADMINISTRATION BY THE EXECUTIVE DIRECTOR OF THE PROVISIONS IN THIS SUBSECTION (11), EACH LOCAL TAXING JURISDICTION SHALL FILE WITH THE EXECUTIVE DIRECTOR A COPY OF EACH ORDINANCE OR RESOLUTION, OR ANY AMENDMENT THERETO, THAT IMPOSES AN APPLICABLE SALES OR USE TAX OR LOCAL LODGING TAX NO LATER THAN FORTY-FIVE DAYS BEFORE THE EFFECTIVE DATE OF THE ORDINANCE OR RESOLUTION, OR ANY AMENDMENT THERETO. IF A LOCAL TAXING

JURISDICTION'S ORDINANCE OR RESOLUTION DOES NOT CONTAIN BUILDING PERMIT-RELATED APPLICABLE SALES OR USE TAX INFORMATION OR LOCAL LODGING TAX INFORMATION, THE LOCAL TAXING JURISDICTION SHALL FILE WITH THE EXECUTIVE DIRECTOR DOCUMENTATION CONTAINING SUCH INFORMATION AS SET FORTH IN SUBSECTIONS (11)(a)(II) AND (11)(a)(V) OF THIS SECTION.

(II) (A) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (11)(c)(I) OF THIS SECTION, LOCAL TAXING JURISDICTIONS SHALL FILE WITH THE EXECUTIVE DIRECTOR A COPY OF EACH ORDINANCE OR RESOLUTION, OR ANY AMENDMENT THERETO, THAT IMPOSES AN APPLICABLE SALES OR USE TAX OR LOCAL LODGING TAX ON OR BEFORE JUNE 15, 2025. IF A LOCAL TAXING JURISDICTION'S ORDINANCE OR RESOLUTION DOES NOT CONTAIN BUILDING PERMIT- RELATED APPLICABLE SALES OR USE TAX INFORMATION OR LOCAL LODGING TAX INFORMATION, THE LOCAL TAXING JURISDICTION SHALL FILE WITH THE EXECUTIVE DIRECTOR DOCUMENTATION CONTAINING SUCH INFORMATION AS SET FORTH IN SUBSECTIONS (11)(a)(II) AND (11)(a)(V) OF THIS SECTION.

(B) THIS SUBSECTION (11)(c)(II) IS REPEALED, EFFECTIVE JANUARY 1, 2027.

**SECTION 2.** In Colorado Revised Statutes, 39-26-801, **amend** (1)(b); and **add** (1)(a.5) as follows:

**39-26-801. Legislative declaration.** (1) The general assembly hereby finds and declares that:

(a.5) COLORADO HAS A UNIQUE AND COMPLEX LOCAL LODGING TAX SYSTEM;

(b) Home rule jurisdictions have exercised their constitutional authority to establish their own sales and use tax systems, including their own licensing requirements, rates, taxable and nontaxable items, and definitions, AND TO ESTABLISH THEIR OWN LOCAL LODGING TAX SYSTEMS;

**SECTION 3.** In Colorado Revised Statutes, 39-26-802, **amend** (1)(a)(I), (1)(b)(I), (1)(b)(II)(I), (1)(b)(II)(J), and (1)(b)(III)(D); and **add** (1)(a.5), (1)(b)(II)(K), (1)(b)(II)(L), and (1)(c) as follows:

**39-26-802. Sales and use tax simplification task force - creation - definitions - repeal.** (1) (a) (I) Notwithstanding section 2-3-303.3, there is created the sales and use tax simplification task force, referred to in this part 8 as the "task force". The task force shall meet as necessary during any legislative session or any interim between legislative sessions to study the necessary components of a simplified sales and use tax system AND A SIMPLIFIED LOCAL LODGING TAX SYSTEM for both the state and local governments, including home rule municipalities and counties.

(a.5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(I) "ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM" MEANS THE ELECTRONIC SYSTEM DESCRIBED IN SECTION 39-26-802.7 FOR THE COLLECTION AND REMITTANCE OF SALES AND USE TAXES.

(II) "LOCAL LODGING TAX" MEANS:

(A) A TAX IMPOSED BY A LOCAL MARKETING DISTRICT PURSUANT TO SECTION 29-25-112 (1)(a) OR BY A COUNTY PURSUANT TO SECTION 30-11-107.5; AND

(B) ANY OTHER TAX OR FEE THAT IS IMPOSED UPON THE TRANSACTION OF FURNISHING ROOMS OR ACCOMMODATIONS IN EXCHANGE FOR CONSIDERATION AND THAT IS NOT A TAX SPECIFIED IN SUBSECTION (1)(a.5)(II)(A) OF THIS SECTION WHETHER IMPOSED UPON THE LESSOR OR THE LESSEE.

(b) (I) The task force shall study BOTH sales and use tax simplification between the state and local governments, including home rule municipalities, AND LOCAL LODGING TAX SIMPLIFICATION to identify opportunities and challenges within existing fiscal frameworks to adopt "feasible solutions", which are solutions that are practical, revenue-neutral, and do not require constitutional amendments or voter approval.

(II) The task force shall consider whether there are feasible solutions for:

(I) Simplifying the process to claim and administer the various state sales and use tax exemptions; and

(J) Simplifying the sales tax collection and remittance requirements for nonprofit organizations;

(K) SIMPLIFYING LOCAL LODGING TAXES LEVIED BY LOCAL GOVERNMENTS, INCLUDING HOME RULE MUNICIPALITIES; AND

(L) ADDING THE ACCEPTANCE OF RETURNS AND PROCESSING PAYMENT OF ANY LOCAL LODGING TAX TO THE ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM OR, ALTERNATIVELY, CREATING AN ELECTRONIC LOCAL LODGING TAX SYSTEM THAT IS A ONE-STOP PORTAL DESIGNED TO FACILITATE THE COLLECTION AND REMITTANCE OF LOCAL LODGING TAXES IN THE SAME MANNER IN WHICH THE ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM FACILITATES THE COLLECTION AND REMITTANCE OF LOCAL SALES AND USE TAXES.

(III) The task force shall:

(D) Review the way in which special districts and specially assessed sales taxes add to the complexity of the state's sales and use tax structure, including, at minimum, the regional transportation district, the scientific and cultural facilities district, any local improvement districts, any regional transportation authority, any multi-jurisdictional housing authority, and any health services district, and any mass transportation system tax, public safety improvement tax, metropolitan district tax, ~~local marketing district tax, and county lodging district tax~~ AND LOCAL LODGING TAX;

(c) (I) IN THE 2024 INTERIM, THE TASK FORCE:

(A) SHALL RECEIVE TESTIMONY AT EACH MEETING FROM INDUSTRY STAKEHOLDERS REGARDING THE STATUS OF CONVERSATIONS AND THE FEASIBILITY FOR THE ELECTRONIC COLLECTION AND REMITTANCE OF LOCAL LODGING TAXES DESCRIBED IN SUBSECTION (1)(b)(II)(L) OF THIS SECTION; AND

(B) MAY RECOMMEND LEGISLATION TO BE CONSIDERED DURING THE FIRST REGULAR SESSION OF THE SEVENTY-FIFTH GENERAL ASSEMBLY TO IMPLEMENT OR CREATE AN ELECTRONIC SYSTEM FOR COLLECTION AND REMITTANCE OF LOCAL LODGING TAXES DESCRIBED IN SUBSECTION (1)(b)(II)(L) OF THIS SECTION.

(II) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE JULY 1, 2026.

**SECTION 4. Appropriation.** (1) For the 2024-25 state fiscal year, \$129,665 is appropriated to the department of revenue for use by the taxation business group. This appropriation is from the general fund. To implement this act, the division may use this appropriation as follows:

(a) \$114,021 for personal services related to taxation services, which amount is based on an assumption that the division will require an additional 1.8 FTE; and

(b) \$15,644 for operating expenses related to taxation services.

**SECTION 5. Safety clause.** The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

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Julie McCluskie  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

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Steve Fenberg  
PRESIDENT OF  
THE SENATE

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Robin Jones  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

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Cindi L. Markwell  
SECRETARY OF  
THE SENATE

APPROVED \_\_\_\_\_  
(Date and Time)

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Jared S. Polis  
GOVERNOR OF THE STATE OF COLORADO