

Second Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO

DRAFT  
10.10.19

BILL 11

LLS NO. 20-0234.01 Pierce Lively x2059

INTERIM COMMITTEE BILL

**Tax Expenditure Evaluation Interim Study Committee**

**BILL TOPIC: "Long-term Lodging Sales Tax Exemption"**

**A BILL FOR AN ACT**

101 **CONCERNING THE REPEAL OF THE STATE SALES TAX EXEMPTION FOR**  
102 **LONG-TERM LODGING.**

**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/>.)*

**Tax Expenditure Evaluation Interim Study Committee.** Under current law, the sales tax exemption for long-term lodging exempts stays of 30 days or more at hotels, apartment hotels, lodging houses, motor hotels, guesthouses, guest ranches, trailer coaches, mobile homes, auto camps, or trailer courts and parks from the state sales tax on lodgings. The bill repeals this exemption.

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

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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 finds and declares that:

4           (a) The sales tax exemption for long-term lodging exempts stays  
5 of thirty days or more at hotels, apartment hotels, lodging houses, motor  
6 hotels, guesthouses, guest ranches, trailer coaches, mobile homes, auto  
7 camps, or trailer courts and parks from the state sales tax on lodgings.

8           (b) This sales tax exemption has remained largely unchanged  
9 since it was enacted in 1959.

10           (c) The exemption does not state whether it can be claimed in the  
11 case where the lodgings are paid for by the same payer for at least 30  
12 days, but multiple persons stay in the lodging during that period of time  
13 and none of those persons stay for longer than 30 days. The department  
14 of revenue has allowed the exemption to be claimed in this circumstance.  
15 However, this application of the long-term lodging exemption expands  
16 the use of the exemption beyond its presumed original purpose of  
17 providing equal tax treatment for persons who enter into residential leases  
18 of 30 days or more and persons who stay for more than 30 days in  
19 lodgings that are typically used for short-term stays.

20           (d) The department of revenue does not collect data specifically  
21 for the long-term lodging exemption.

22           (2) Therefore, it is the intent of the general assembly to simplify  
23 the collection and administration of taxes for the state of Colorado and to  
24 relieve taxpayers' confusion and vendors' administrative burdens by  
25 repealing tax expenditures that are not meeting their original purpose and  
26 which are not tracked by the department of revenue.

1           **SECTION 2.** In Colorado Revised Statutes, 39-26-704, **amend**  
2           (3) as follows:

3           **39-26-704. Miscellaneous sales tax exemptions - governmental**  
4           **entities - hotel residents - schools - exchange of property.** (3) ~~There~~  
5           ~~shall be exempt from taxation under the provisions of part 1 of this article~~  
6           ~~all sales and purchases of commodities and services under the provisions~~  
7           ~~of section 39-26-102 (11) to any occupant who is a permanent resident of~~  
8           ~~any hotel, apartment hotel, lodging house, motor hotel, guesthouse, guest~~  
9           ~~ranch, trailer coach, mobile home, auto camp, or trailer court or park and~~  
10           ~~who enters into or has entered into a written agreement for occupancy of~~  
11           ~~a room or accommodations for a period of at least thirty consecutive days~~  
12           ~~during the calendar year or preceding year~~ NOTWITHSTANDING ANY  
13           PROVISION OF LAW TO THE CONTRARY, ON OR AFTER JANUARY 1, 2021,  
14           FOR ANY LOCAL GOVERNMENT OR POLITICAL SUBDIVISION OF THE STATE  
15           THAT LEVIES A SALES OR USE TAX BASED ON THE SALES OR USE TAX  
16           LEVIED BY THE STATE PURSUANT TO THIS ARTICLE 26, ALL SALES AND  
17           PURCHASES OF COMMODITIES AND SERVICES UNDER THE PROVISIONS OF  
18           SECTION 39-26-102 (11) TO ANY OCCUPANT WHO IS A PERMANENT  
19           RESIDENT OF ANY HOTEL, APARTMENT HOTEL, LODGING HOUSE, MOTOR  
20           HOTEL, GUESTHOUSE, GUEST RANCH, TRAILER COACH, MOBILE HOME,  
21           AUTO CAMP, OR TRAILER COURT OR PARK AND WHO ENTERS INTO OR HAS  
22           ENTERED INTO A WRITTEN AGREEMENT FOR OCCUPANCY OF A ROOM OR  
23           ACCOMMODATIONS FOR A PERIOD OF AT LEAST THIRTY CONSECUTIVE DAYS  
24           DURING THE CALENDAR YEAR OR PRECEDING CALENDAR YEAR SHALL BE  
25           EXEMPT FROM THE SALES OR USE TAX OF SUCH LOCAL GOVERNMENT OR  
26           POLITICAL SUBDIVISION, UNLESS THE LOCAL GOVERNMENT OR POLITICAL  
27           SUBDIVISION EXPRESSLY SUBJECTS SUCH SALE TO ITS SALES OR USE TAX

1 FOR THE APPLICABLE PERIOD AT THE TIME OF ADOPTION OF ITS INITIAL  
2 SALES OR USE TAX ORDINANCE OR RESOLUTION OR SUBSEQUENT  
3 AMENDMENT THERETO.

4 **SECTION 3. Act subject to petition - effective date -**  
5 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
6 the expiration of the ninety-day period after final adjournment of the  
7 general assembly (August 5, 2020, if adjournment sine die is on May 6,  
8 2020); except that, if a referendum petition is filed pursuant to section 1  
9 (3) of article V of the state constitution against this act or an item, section,  
10 or part of this act within such period, then the act, item, section, or part  
11 will not take effect unless approved by the people at the general election  
12 to be held in November 2020 and, in such case, will take effect on the  
13 date of the official declaration of the vote thereon by the governor.

14 (2) This act applies to sales taxes levied on or after January 1,  
15 2021.