

Second Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO

**BILL A**

LLS NO. 20-0319.01 Esther van Mourik x4215

**HOUSE BILL**

---

**HOUSE SPONSORSHIP**

**Kraft-Tharp and Van Winkle,**

**SENATE SPONSORSHIP**

**Tate,**

---

**House Committees**

**Senate Committees**

---

**A BILL FOR AN ACT**

101 **CONCERNING THE SALES AND USE TAX SIMPLIFICATION TASK FORCE,**  
102 **AND, IN CONNECTION THEREWITH, EXTENDING THE TASK FORCE,**  
103 **MODIFYING THE TASK FORCE'S DUTIES, AND REMOVING THE**  
104 **REQUIREMENT THAT THE TASK FORCE UNDERGO AN**  
105 **EVALUATION BY THE DEPARTMENT OF REGULATORY AGENCIES**  
106 **PRIOR TO THE TASK FORCE'S REPEAL.**

---

**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/>.)*

**Sales and Use Tax Simplification Task Force.** The bill continues

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.

the sales and use tax simplification task force for 5 years, modifies the task force's duties, and removes the requirement that the task force undergo an evaluation by the department of regulatory agencies prior to the task force's repeal.

---

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

2           **SECTION 1.** In Colorado Revised Statutes, 39-26-802, **amend**  
3 **(3); repeal and reenact, with amendments, (1)(b); and add (2.5)** as  
4 follows:

5           **39-26-802. Sales and use tax simplification task force -**  
6 **creation - definition.** (1) (b) (I) THE TASK FORCE SHALL STUDY SALES  
7 AND USE TAX SIMPLIFICATION BETWEEN THE STATE AND LOCAL  
8 GOVERNMENTS, INCLUDING HOME RULE MUNICIPALITIES, TO IDENTIFY  
9 OPPORTUNITIES AND CHALLENGES WITHIN EXISTING FISCAL FRAMEWORKS  
10 TO ADOPT "FEASIBLE SOLUTIONS", WHICH ARE SOLUTIONS THAT ARE  
11 PRACTICAL, REVENUE-NEUTRAL, AND DO NOT REQUIRE CONSTITUTIONAL  
12 AMENDMENTS OR VOTER APPROVAL.

13           (II) THE TASK FORCE SHALL CONSIDER WHETHER THERE ARE  
14 FEASIBLE SOLUTIONS FOR:

15           (A) MAKING AUDITS OF RETAILERS MORE UNIFORM FOR ALL STATE  
16 AND LOCAL TAXING JURISDICTIONS IN THE STATE;

17           (B) THE UTILIZATION OF A SINGLE SALES AND USE TAX RETURN  
18 FOR STATE AND LOCAL TAXING JURISDICTIONS AS A PART OF THE SALES  
19 AND USE TAX SIMPLIFICATION SYSTEM DESCRIBED IN SENATE BILL 19-006,  
20 ENACTED IN 2019;

21           (C) STREAMLINING THE REQUIREMENTS FOR STATE AND LOCAL  
22 SALES TAX LICENSES, USE TAX LICENSES, AND BUSINESS LICENSES USED  
23 FOR PURPOSES OF COLLECTING SALES AND USE TAXES;

1 (D) MAKING UNIFORM AND POSSIBLY INCREASING THE FILING  
2 THRESHOLD AMOUNT FOR MONTHLY SALES TAX FILINGS BETWEEN THE  
3 STATE AND LOCAL GOVERNMENTS, INCLUDING HOME RULE  
4 MUNICIPALITIES;

5 (E) SIMPLIFYING USE TAXES LEVIED BY THE STATE AND LOCAL  
6 GOVERNMENTS, INCLUDING HOME RULE MUNICIPALITIES;

7 (F) SIMPLIFYING THE PROCESS BY WHICH STATE AND LOCAL SALES  
8 AND USE TAXES ARE COLLECTED FOR THE PURCHASE OF A MOTOR VEHICLE;

9 (G) SIMPLIFYING THE ISSUANCE OF LOCAL BUILDING PERMITS AND  
10 THE LEVYING OF USE TAX ON BUILDING MATERIALS AND ON MOBILE AND  
11 SMALL MOBILE CONSTRUCTION EQUIPMENT;

12 (H) SIMPLIFYING THE PROCESS TO CLAIM AND ADMINISTER THE  
13 VARIOUS STATE SALES AND USE TAX EXEMPTIONS; AND

14 (I) SIMPLIFYING THE SALES TAX COLLECTION AND REMITTANCE  
15 REQUIREMENTS FOR NONPROFIT ORGANIZATIONS.

16 (III) THE TASK FORCE SHALL:

17 (A) SEEK REGULAR UPDATES FROM THE OFFICE OF INFORMATION  
18 TECHNOLOGY AND THE DEPARTMENT OF REVENUE REGARDING THE  
19 DEVELOPMENT OF THE ELECTRONIC SALES AND USE TAX SIMPLIFICATION  
20 SYSTEM DESCRIBED IN SENATE BILL 19-006, ENACTED IN 2019;

21 (B) ONCE THE ELECTRONIC SALES AND USE TAX SIMPLIFICATION  
22 SYSTEM DESCRIBED IN SENATE BILL 19-006, ENACTED IN 2019, IS ONLINE,  
23 MONITOR AND ENCOURAGE PARTICIPATION BY BUSINESSES AND HOME  
24 RULE MUNICIPALITIES;

25 (C) SEEK REGULAR UPDATES FROM THE OFFICE OF INFORMATION  
26 TECHNOLOGY AND THE DEPARTMENT OF REVENUE REGARDING THE  
27 PURCHASE AND DEVELOPMENT OF A GEOGRAPHIC INFORMATION SYSTEM

1 (GIS) DATABASE TO MAINTAIN JURISDICTIONAL BOUNDARIES OF SALES  
2 TAX DISTRICTS AND TO CALCULATE APPROPRIATE SALES AND USE TAX  
3 RATES FOR INDIVIDUAL ADDRESSES FOR WHICH THE DEPARTMENT OF  
4 REVENUE RECEIVED AN APPROPRIATION IN SENATE BILL 19-006, ENACTED  
5 IN 2019;

6 (D) REVIEW THE WAY IN WHICH SPECIAL DISTRICTS AND SPECIALLY  
7 ASSESSED SALES TAXES ADD TO THE COMPLEXITY OF THE STATE'S SALES  
8 AND USE TAX STRUCTURE, INCLUDING, AT MINIMUM, THE REGIONAL  
9 TRANSPORTATION DISTRICT, THE SCIENTIFIC AND CULTURAL FACILITIES  
10 DISTRICT, ANY LOCAL IMPROVEMENT DISTRICTS, ANY REGIONAL  
11 TRANSPORTATION AUTHORITY, ANY MULTI-JURISDICTIONAL HOUSING  
12 AUTHORITY, AND ANY HEALTH SERVICES DISTRICT, AND ANY MASS  
13 TRANSPORTATION SYSTEM TAX, PUBLIC SAFETY IMPROVEMENT TAX,  
14 METROPOLITAN DISTRICT TAX, LOCAL MARKETING DISTRICT TAX, AND  
15 COUNTY LODGING DISTRICT TAX;

16 (E) REVIEW AND COMPARE THE STATE'S SALES AND USE TAX  
17 DEFINITIONS WITH THE STANDARD SALES TAX DEFINITIONS DEVELOPED  
18 AND ADOPTED BY LOCAL TAXING JURISDICTIONS PURSUANT TO SENATE  
19 JOINT RESOLUTION 14-038, ENACTED IN 2014, TO DETERMINE IF ANY  
20 SIMPLIFICATION MIGHT BE ACHIEVED BETWEEN THE TWO SETS OF  
21 DEFINITIONS;

22 (F) EXAMINE THE EFFECTS OF THE CHANGES TO THE VENDOR FEE  
23 IMPLEMENTED PURSUANT TO HOUSE BILL 19-1245, ENACTED IN 2019;

24 (G) REVIEW ANY EVALUATIONS OF SALES AND USE TAX  
25 EXPENDITURES PREPARED BY THE OFFICE OF THE STATE AUDITOR THAT  
26 ARE COMPLETED PURSUANT TO SECTION 39-21-305, UNLESS A TAX  
27 COMMISSION, LEGISLATIVE INTERIM STUDY COMMITTEE, OR OTHER TYPE

1 OF LEGISLATIVE COMMITTEE, TASK FORCE, OR STUDY GROUP IS FORMED TO  
2 REVIEW SUCH EVALUATIONS. IF A TAX COMMISSION, LEGISLATIVE INTERIM  
3 STUDY COMMITTEE, OR OTHER TYPE OF LEGISLATIVE COMMITTEE, TASK  
4 FORCE, OR STUDY GROUP IS FORMED TO REVIEW SUCH EVALUATIONS, THE  
5 TASK FORCE SHALL SEEK REGULAR UPDATES FROM SUCH COMMISSION OR  
6 COMMITTEE REGARDING ANY DECISIONS THAT SUCH COMMISSION OR  
7 COMMITTEE MIGHT MAKE RELATED TO ANY SALES OR USE TAX  
8 EXPENDITURE EVALUATED BY THE OFFICE OF THE STATE AUDITOR.

9 (H) EXPLORE OPTIONS FOR ELIMINATING A DEPARTMENT OF  
10 REVENUE REQUIREMENT FOR TAXPAYERS TO USE BRANCH ID REPORTING;

11 (I) DETERMINE WHETHER THE STATE SHOULD ADOPT A SALES TAX  
12 EXEMPTION FOR AN ISOLATED OR OCCASIONAL SALE OF A BUSINESS IN AN  
13 ASSET SALE;

14 (J) REGULARLY REVIEW THE BUSINESS IMPACT OF THE  
15 DESTINATION SOURCING RULES SET FORTH IN SECTION 39-26-104 (3),  
16 INCLUDING THE THRESHOLDS THAT TRIGGER THE REQUIREMENT FOR  
17 DESTINATION SOURCING; AND

18 (K) ANALYZE OR REVIEW ANY OTHER RELEVANT TOPIC RELATED  
19 TO THE SIMPLIFICATION OF SALES AND USE TAX ADMINISTRATION IN THE  
20 STATE.

21 (2.5) ALL APPOINTMENTS DESCRIBED IN SUBSECTION (2) OF THIS  
22 SECTION MUST BE MADE NO LATER THAN JUNE 5, 2020, AND EACH JUNE 5  
23 THEREAFTER. MEMBERS OF THE TASK FORCE SERVE AT THE PLEASURE OF  
24 THE APPLICABLE APPOINTING AUTHORITY OR UNTIL THE MEMBER NO  
25 LONGER SERVES IN THE POSITION FOR WHICH HE OR SHE WAS APPOINTED  
26 TO THE TASK FORCE, AT WHICH TIME A VACANCY IS DEEMED TO EXIST ON  
27 THE TASK FORCE. IF A VACANCY ARISES ON THE TASK FORCE, THE

1 APPROPRIATE APPOINTING AUTHORITY SHALL APPOINT A REPLACEMENT  
2 MEMBER THAT MEETS THE REQUIREMENTS SET FORTH IN SUBSECTION (2)  
3 OF THIS SECTION FOR THE VACANT POSITION.

4 (3) The task force shall meet at least eight times, with the first  
5 meeting occurring no later than ~~July 12, 2017~~ JULY 17, 2020. Task force  
6 meetings shall be open to the public and the task force shall solicit the  
7 testimony of the members of the public.

8 **SECTION 2.** In Colorado Revised Statutes, **amend** 39-26-804 as  
9 follows:

10 **39-26-804. Repeal of task force.** This part 8 is repealed, effective  
11 July 1, 2020. ~~Before its repeal, this part 8 is scheduled for review in~~  
12 ~~accordance with section 2-3-1201~~ JULY 1, 2025.

13 **SECTION 3.** In Colorado Revised Statutes, 2-3-1203, **repeal**  
14 (10)(a)(III) as follows:

15 **2-3-1203. Sunset review of advisory committees - legislative**  
16 **declaration - definition - repeal.** (10) (a) The following statutory  
17 authorizations for the designated advisory committees will repeal on July  
18 1, 2020:

19 (III) ~~The sales and use tax simplification task force created in~~  
20 ~~section 39-26-802.~~

21 **SECTION 4. Safety clause.** The general assembly hereby finds,  
22 determines, and declares that this act is necessary for the immediate  
23 preservation of the public peace, health, or safety.