



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

# FISCAL NOTE

**Drafting Number:** LLS 20-0320  
**Prime Sponsors:**

**Date:** October 17, 2019  
**Bill Status:** Bill Request  
**Fiscal Analyst:** Meredith Moon | 303-866-2633  
Meredith.Moon@state.co.us

**Bill Topic:** STATE GIS DATABASE FOR SALES & USE TAX COLLECTION

**Summary of  
Fiscal Impact:**

- State Revenue
- State Expenditure (*minimal*)
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

This bill creates a hold harmless provision for vendors who choose to use the state-provided geographic information system database when determining to which jurisdiction(s) sales taxes are owed. This bill will minimally increase workload for the Department of Revenue.

**Appropriation  
Summary:** No appropriation is required.

**Fiscal Note  
Status:** This fiscal note reflects the bill draft requested by the Sales and Use Tax Simplification Task Force.

## Summary of Legislation

This bill establishes a hold harmless provision for vendors that use the state's Geographic Information System (GIS) database to determine sales and use tax rates for addresses and taxing jurisdictions. Vendors using the GIS database are not liable for any taxes, fees, or other charges that result from errors from using the state GIS database. The Department of Revenue (DOR) is responsible for ensuring that 95 percent of the information provided in the database is accurate and up-to-date. DOR may also promulgate rules associated with administering the hold harmless provision. The hold harmless provision also applies to vendors that use third-party databases, which are verified as containing the most current information from the state GIS database.

## Background

Senate Bill 19-006, approved by the Sales and Use Tax Task Force and enacted during the 2019 session, mandated the creation of a sales and use tax simplification system, including a GIS database. The Governor's Office of Information Technology is undertaking the development of the GIS database.

**State Expenditures**

The bill will increase workload for the Department of Revenue to promulgate rules and ensure accuracy of the information in the GIS database. No additional appropriation is needed.

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**State and Local Government Contacts**

Counties  
Revenue

Information Technology  
Special Districts

Municipalities  
Regional Transportation District