



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

Bill 4

FISCAL NOTE

Drafting Number: LLS 20-0227
Prime Sponsors:

Date: October 24, 2019
Bill Status: Bill Request
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Bill Topic: OCCASIONAL AUCTION LIQUOR SALE TAX EXEMPTION

Summary of Fiscal Impact: **No fiscal impact.** The bill repeals a licensing exemption for Occasional Sales of Liquor by Public Auction. The bill does not affect the revenue, expenditures, or workload of any state agency.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the bill draft as requested by the Tax Expenditure Evaluation Interim Study Committee.

Summary of Legislation

This bill eliminates the licensing requirements for the occasional sale of liquor by public auction. Public auctions could no longer be held by any entity that is not licensed by the Liquor Enforcement Division in the Department of Revenue.

Background

Taxpayers may claim a license exemption for beer, wine, and spirits sold at a public auction if the seller:

- possesses the liquor and the previous owner of the liquor has not claimed the beverages or furnished instruction for their disposition;
- obtained the beverages as part of a foreclosure of any lawful lien;
- salvaged the beverages from shipments damaged in transit; or
- operates a charitable organization and received the liquor as a donation.

In addition, the Office of the State Auditor recently evaluated this exemption. The report can be found here:

https://leg.colorado.gov/sites/default/files/2018-te6_occasional_sale_of_liquor_by_public_auction_exemption.pdf

Assessment of No Fiscal Impact

This bill is assessed as having no fiscal impact. There are no recent records of public auctions of liquor in Colorado that qualify for the licensing exemption for the occasional sale of liquor by public auction. The Department of Revenue does not require any modifications to licensing forms, staffing, or programming. The bill does not affect the revenue, expenditures, or workload of any state or local government entity.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology

Personnel

Revenue

State Auditor