

## CHAPTER 340

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**TAXATION**

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**HOUSE BILL 13-1288**

BY REPRESENTATIVE(S) Conti and Kagan, Foote, Hullinghorst, Labuda, Schafer, Singer, Young, Ferrandino;  
also SENATOR(S) Steadman and Hill, Giron, Guzman, Heath, Hodge, Johnston, Jones, Kefalas, Newell, Scheffel, Schwartz,  
Tochtrop, Todd, Ulibarri.

**AN ACT**

**CONCERNING THE DEVELOPMENT OF RECOMMENDATIONS TO THE GENERAL ASSEMBLY TO ESTABLISH A UNIFORM SALES AND USE TAX BASE THROUGHOUT THE STATE, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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

**SECTION 1.** In Colorado Revised Statutes, **add** 39-26-128 as follows:

**39-26-128. Uniform sales and use tax base.** (1) (a) THE DEPARTMENT OF REVENUE SHALL MAKE RECOMMENDATIONS TO THE GENERAL ASSEMBLY REGARDING THE ESTABLISHMENT OF A REVENUE NEUTRAL UNIFORM SALES AND USE TAX BASE THROUGHOUT THE STATE. IN DEVELOPING THE RECOMMENDATIONS, THE DEPARTMENT SHALL CONSULT WITH REPRESENTATIVES OF THE COLORADO MUNICIPAL LEAGUE, OR ITS SUCCESSOR ENTITY, AND COLORADO COUNTIES, INCORPORATED, OR ITS SUCCESSOR ENTITY. SUCH REPRESENTATIVES MUST HAVE EXPERIENCE IN WRITING SALES AND USE TAX POLICY AND MUST REPRESENT CONSTITUENTS OF LOCAL TAXING JURISDICTIONS. THE RECOMMENDATIONS SHALL INCLUDE:

(I) A UNIFORM DEFINITION OF TANGIBLE PERSONAL PROPERTY;

(II) A UNIFORM LIST OF ITEMS THAT ARE EXEMPT FROM TAXATION BY THE STATE AND LOCAL TAXING JURISDICTIONS;

(III) UNIFORM DEFINITIONS OF THE TAX-EXEMPT ITEMS;

(IV) RATE CHANGES, INCLUDING CONSIDERATION OF RATES OF ZERO PERCENT THAT WOULD BE NECESSARY TO ACHIEVE REVENUE NEUTRALITY FOR THE STATE AND

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

ANY LOCAL TAXING JURISDICTION; AND

(V) ANY OTHER RECOMMENDATIONS DEEMED APPROPRIATE BY THE DEPARTMENT OF REVENUE REGARDING THE ESTABLISHMENT OF A REVENUE NEUTRAL UNIFORM SALES AND USE TAX BASE.

(b) (I) FOR PURPOSES OF THIS SUBSECTION (1), A UNIFORM SALES AND USE TAX BASE IS REVENUE NEUTRAL IF, WHEN SUBSTITUTED FOR A JURISDICTION'S PRIOR SALES AND USE TAX BASE, THE RESULT IS NO MORE THAN A DE MINIMIS CHANGE IN TAX REVENUE FOR THE SUBSTITUTING JURISDICTION.

(II) IN ESTIMATING REVENUE NEUTRALITY, THE DEPARTMENT OF REVENUE SHALL USE THE BEST INFORMATION IT HAS AVAILABLE.

(c) FOR PURPOSES OF THIS SUBSECTION (1), A "LOCAL TAXING JURISDICTION" MEANS A CITY, TOWN, MUNICIPALITY, COUNTY, SPECIAL DISTRICT, OR AUTHORITY AUTHORIZED TO LEVY A SALES TAX PURSUANT TO TITLE 24, 25, 29, 30, 31, 32, 37, OR 42, C.R.S., AND CITIES, CITIES AND COUNTIES, OR TOWNS GOVERNED BY A HOME RULE CHARTER THAT IMPOSE A SALES OR USE TAX IN THE STATE.

(2) THE DEPARTMENT OF REVENUE SHALL INCLUDE THE RECOMMENDATIONS MADE PURSUANT TO SUBSECTION (1) OF THIS SECTION IN A REPORT TO THE GENERAL ASSEMBLY PURSUANT TO SECTION 24-1-136 (9), C.R.S. THE REPORT MUST BE SUBMITTED TO THE GENERAL ASSEMBLY NO LATER THAN DECEMBER 31, 2013, AND MADE AVAILABLE TO THE PUBLIC ON A WEB SITE MAINTAINED BY THE DEPARTMENT OF REVENUE.

(3) MEMBERS OF THE GENERAL ASSEMBLY ARE ENCOURAGED TO CONSIDER THE RECOMMENDATIONS OF THE DEPARTMENT OF REVENUE PURSUANT TO THIS SECTION AND, IF VIEWED FAVORABLY, TO INTRODUCE LEGISLATION AND, IF APPROPRIATE, A HOUSE OR SENATE CONCURRENT RESOLUTION, DURING THE SECOND REGULAR SESSION OF THE SIXTY-NINTH GENERAL ASSEMBLY TO ESTABLISH A REVENUE NEUTRAL UNIFORM STATEWIDE SALES AND USE TAX BASE.

**SECTION 2. Appropriation.** In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of revenue, for the fiscal year beginning July 1, 2013, the sum of \$80,089, or so much thereof as may be necessary, for allocation to the taxation business group for personal services and computer programming expenses related to the implementation of this act.

**SECTION 3. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 28, 2013