

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 26-0217.02 Pierce Lively x2059

SENATE BILL 26-009

SENATE SPONSORSHIP

Lindstedt and Snyder, Kipp, Amabile, Coleman, Cutter, Gonzales J., Jodeh, Kolker, Marchman, Michaelson Jenet, Roberts, Wallace, Weissman

HOUSE SPONSORSHIP

McCluskie and Stewart R., Clifford, Duran, Nguyen, Rutinel

Senate Committees
Finance

House Committees
Finance

A BILL FOR AN ACT

101 **CONCERNING THE DETERMINATION OF WHETHER AN ENTITY IS A**
102 **CHARITABLE ORGANIZATION FOR PURPOSES OF STATE SALES**
103 **AND USE TAX.**

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>.)

Charitable organizations are exempt from state sales and use tax. Under current law, the definition of charitable organization for purposes of state sales and use tax includes criteria that mirror the federal definition of a 501(c)(3) organization. The bill requires the department to presume that an organization that presents the department with a

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
3rd Reading Unamended
April 2, 2026

HOUSE
Amended 2nd Reading
March 31, 2026

SENATE
3rd Reading Unamended
February 10, 2026

SENATE
2nd Reading Unamended
February 9, 2026

501(c)(3) determination letter from the internal revenue service is a charitable organization for purposes of state sales and use tax.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-26-102, **amend**
3 (2.5) as follows:

4 **39-26-102. Performance statement - definitions - repeal.**

5 As used in this article 26, unless the context otherwise requires:

6 (2.5) "Charitable organization" means any entity organized and
7 operated exclusively for religious, charitable, scientific, testing for public
8 safety, literary, or educational purposes, or to foster national or
9 international amateur sports competition (but only if no part of its
10 activities involve the provision of athletic facilities or equipment), or for
11 the prevention of cruelty to children or animals, no part of the net
12 earnings of which inures to the benefit of any private shareholder or
13 individual, no substantial part of the activities of which is carrying on
14 propaganda, or otherwise attempting, to influence legislation, and which
15 does not participate in, or intervene in (including the publishing or
16 distributing of statements), any political campaign on behalf of any
17 candidate for public office, or any veterans' organization registered under
18 section 501 (c)(19) of the federal "Internal Revenue Code of 1986", as
19 amended. IN DETERMINING WHETHER AN ORGANIZATION QUALIFIES AS A
20 CHARITABLE ORGANIZATION, THE DEPARTMENT OF REVENUE SHALL
21 PRESUME THAT AN ORGANIZATION THAT PRESENTS THE DEPARTMENT WITH
22 A 501(c)(3) DETERMINATION LETTER FROM THE INTERNAL REVENUE
23 SERVICE QUALIFIES AS A CHARITABLE ORGANIZATION. THE DEPARTMENT
24 SHALL NOT PRESUME THAT AN ORGANIZATION DOES NOT QUALIFY AS A
25 CHARITABLE ORGANIZATION BECAUSE OF A CHANGE IN THE

1 ORGANIZATION'S 501(c)(3) STATUS. NOTHING IN THIS SUBSECTION (2.5)
2 PREVENTS THE DEPARTMENT OF REVENUE FROM REVIEWING WHETHER AN
3 ORGANIZATION QUALIFIES AS A "CHARITABLE ORGANIZATION" FOR
4 PURPOSES OF THIS SUBSECTION (2.5).

5 **SECTION 2. Act subject to petition - effective date.** This act
6 takes effect at 12:01 a.m. on the day following the expiration of the
7 ninety-day period after final adjournment of the general assembly (August
8 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
9 referendum petition is filed pursuant to section 1 (3) of article V of the
10 state constitution against this act or an item, section, or part of this act
11 within such period, then the act, item, section, or part will not take effect
12 unless approved by the people at the general election to be held in
13 November 2026 and, in such case, will take effect on the date of the
14 official declaration of the vote thereon by the governor.