

SENATE COMMITTEE OF REFERENCE REPORT

\_\_\_\_\_  
Chair of Committee

\_\_\_\_\_  
Date

May 11, 2026

Committee on Appropriations.

After consideration on the merits, the Committee recommends the following:

HB26-1223 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend reengrossed bill, page 10, line 2, strike "2026," and substitute  
2 "2027,".

3 Amend the Senate Finance Committee Report, dated May 7, 2026, page  
4 1, line 13, after "2026," insert "BUT BEFORE JULY 1, 2046,".

5 Page 2 of the report, strike lines 11 through 13 and substitute:

6           **"SECTION 5.** In Colorado Revised Statutes, 39-26-105, **amend**  
7 (1.3)(a)(III)(C), (1.3)(a)(V)(B), (1.3)(a)(V)(C), (1.3)(b)(I), (1.3)(c),  
8 (1.3)(c.5), and (1.3)(f.7); and **add** (1.3)(a)(V)(D), (1.3)(a)(V)(E), and  
9 (1.3)(b)(III) as follows:".

10 Page 2 of the report, after line 16 insert:

11           "(III) (C) "Qualifying retailer" means, for the specified sales tax  
12 ~~period~~ PERIODS in ~~subsection (1.3)(a)(V)(C)~~ SUBSECTIONS (1.3)(a)(V)(C),  
13 (1.3)(a)(V)(D), and (1.3)(a)(V)(E) of this section, a retailer doing  
14 business in the state that timely files sales tax returns as required under  
15 subsection (1)(b) of this section and section 39-26-109 and that operates  
16 in the alcoholic beverages drinking places industry, the catering industry,  
17 the food services contractor industry, the restaurant and other eating  
18 places industry, or the mobile food services industry, or that operates a  
19 hotel-operated restaurant, bar, or catering service.".

20 Page 2 of the report, after line 42 insert:

21           "(b) (I) A qualifying retailer in the alcoholic beverages drinking

1 places industry, in the restaurant and other eating places industry, in the  
2 food services contractor industry, or operating a hotel-operated  
3 restaurant, bar, or catering service may deduct from state net taxable sales  
4 the lesser of state net taxable sales or, EXCEPT AS PROVIDED IN  
5 SUBSECTION (1)(b)(III) OF THIS SECTION, seventy thousand dollars and  
6 retain the resulting sales tax collected for each month specified in  
7 subsection (1.3)(a)(V) of this section.

8 (III) FOR EACH MONTH SPECIFIED IN SUBSECTIONS (1.3)(a)(V)(D)  
9 AND (1.3)(a)(V)(E) OF THIS SECTION, THE MAXIMUM DEDUCTION  
10 ALLOWED PURSUANT TO SUBSECTION (1.3)(b)(I) OF THIS SECTION IS  
11 FOURTEEN THOUSAND DOLLARS."

12 Page 2 of the report, line 43, after "(c)" insert "(I)".

13 Page 3 of the report, line 2, strike "~~seventy thousand dollars~~ FOURTEEN  
14 THOUSAND DOLLARS" and substitute "EXCEPT AS OTHERWISE PROVIDED  
15 IN SUBSECTION (1)(c)(II) OF THIS SECTION, seventy thousand dollars".

16 Page 3 of the report, after line 6 insert:

17 "(II) FOR EACH MONTH SPECIFIED IN SUBSECTIONS (1.3)(a)(V)(D)  
18 AND (1.3)(a)(V)(E) OF THIS SECTION, THE MAXIMUM DEDUCTION  
19 ALLOWED PURSUANT TO SUBSECTION (1.3)(c)(I) OF THIS SECTION IS  
20 FOURTEEN THOUSAND DOLLARS."

21 Page 3 of the report, line 7, after "(c.5)" insert "(I)".

22 Page 3 of the report, line 9, strike "~~seventy thousand dollars~~ FOURTEEN  
23 THOUSAND DOLLARS" and substitute "EXCEPT AS PROVIDED IN  
24 SUBSECTION (1)(c.5)(II) OF THIS SECTION, seventy thousand dollars".

25 Page 3 of the report, after line 11, insert:

26 "(II) FOR EACH MONTH SPECIFIED IN SUBSECTIONS (1.3)(a)(V)(D)  
27 AND (1.3)(a)(V)(E) OF THIS SECTION, THE MAXIMUM DEDUCTION  
28 ALLOWED PURSUANT TO SUBSECTION (1.3)(c.5)(I) OF THIS SECTION IS  
29 FOURTEEN THOUSAND DOLLARS."

30 Page 3 of the report, lines 12 and 13, strike "available and without  
31 changing the sales tax return form," and substitute "available, ~~and~~  
32 ~~without changing the sales tax return form,~~".

33 Page 4 of the report, line 19, after "2026," insert "BUT BEFORE JULY 1,

1 2046,".

2 Page 15 of the bill, strike lines 14 through 27.

3 Strike page 16 of the bill.

4 Page 17 of the bill, strike lines 1 through 11. and substitute:

5 **"SECTION 10. Appropriation.** (1) For the 2026-27 state fiscal  
6 year, \$48,326 is appropriated to the department of revenue. This  
7 appropriation is from the general fund. To implement this act, the  
8 department may use this appropriation as follows:

9 (a) \$10,086 to the executive director's office for personal services  
10 related to administration and support;

11 (b) \$13,821 to the taxation business group for personal services  
12 related to taxation services; and

13 (c) \$24,419 for tax administration IT system (GenTax) support.".

14 Renumber succeeding sections accordingly.

15 Strike "DECEMBER" and substitute "JUNE" on: **Page 9 of the bill**, line 27;  
16 and **Page 10 of the bill**, lines 1, 2, and 3.

17 Page 1 of the bill, line 101, strike "EXPENDITURES." and substitute  
18 "EXPENDITURES, AND, IN CONNECTION THEREWITH, MAKING AN  
19 APPROPRIATION.".

\*\* \*\* \*\* \*\* \*\*