

CHAPTER 53

TAXATION

SENATE BILL 26-009

BY SENATOR(S) Lindstedt and Snyder, Kipp, Amabile, Cutter, Gonzales J., Jodeh, Kolker, Marchman, Michaelson Jenet, Roberts, Wallace, Weissman, Coleman;
also REPRESENTATIVE(S) McCluskie and Stewart R., Clifford, Duran, Nguyen, Rutinel.

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

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

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

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

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

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

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

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

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

Approved: April 20, 2026