

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

May 2, 2019

Committee on Appropriations.

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

HB19-1333 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend reengrossed bill, page 5, line 2, strike "AND".
- 2 Page 5, line 3, after "CIGARETTE," insert "EXPANDING THE EXISTING
- 3 CIGARETTE AND TOBACCO TAXES TO APPLY TO SALES TO CONSUMERS
- 4 FROM OUTSIDE OF THE STATE,".
- 5 Page 5, after line 23 insert:
 - 6 **"SECTION 2.** In Colorado Revised Statutes, 39-28-101, **amend**
 - 7 the introductory portion and (4) as follows:
 - 8 **39-28-101. Definitions.** As used in this ~~article~~ ARTICLE 28, unless
 - 9 the context otherwise requires:
 - 10 (4) (a) "Wholesaler" means any person, firm, limited liability
 - 11 company, partnership, or corporation who IS DOING BUSINESS IN THIS
 - 12 STATE AND WHO:
 - 13 (I) Imports cigarettes into this state for sale or resale; OR
 - 14 (II) SELLS CIGARETTES DIRECTLY TO A CONSUMER:
 - 15 (A) INTO THE STATE BY MAIL OR DELIVERY SERVICE; AND
 - 16 (B) THROUGH THE INTERNET OR A COMPUTER NETWORK, BY
 - 17 TELEPHONE, OR THROUGH ANY OTHER MEANS.
 - 18 (b) FOR PURPOSES OF SUBSECTION (4)(a) OF THIS SECTION, THE
 - 19 DEPARTMENT OF REVENUE SHALL ESTABLISH BY RULE A STANDARD FOR
 - 20 "DOING BUSINESS IN THIS STATE".

1 Renumber succeeding sections accordingly.

2 Page 9, after line 4 insert:

3 "SECTION 8. In Colorado Revised Statutes, 39-28.5-101, **amend**
4 the introductory portion (2) as follows:

5 **39-28.5-101. Definitions.** As used in this ~~article~~ ARTICLE 28.5,
6 unless the context otherwise requires:

7 (2) (a) "Distributor" means every person who IS DOING BUSINESS
8 IN THIS STATE AND WHO:

9 (I) First receives tobacco products in this state;

10 (II) ~~every person who~~ Sells tobacco products in this state ~~who~~ AND
11 is primarily liable for the tobacco products tax on such products;

12 (III) ~~and every person who~~ First sells or offers for sale in this state
13 tobacco products imported into this state from any other state or country;

14 AND

15 (IV) SELLS TOBACCO PRODUCTS DIRECTLY TO A CONSUMER:

16 (A) INTO THE STATE BY MAIL OR DELIVERY SERVICE; AND

17 (B) THROUGH THE INTERNET OR A COMPUTER NETWORK, BY
18 TELEPHONE, OR THROUGH ANY OTHER MEANS.

19 (b) FOR PURPOSES OF SUBSECTION (2)(a) OF THIS SECTION, THE
20 DEPARTMENT OF REVENUE SHALL ESTABLISH BY RULE A STANDARD FOR
21 "DOING BUSINESS IN THIS STATE".

22 Renumber succeeding sections accordingly.

23 Page 10, after line 10 insert:

24 "SECTION 11. In Colorado Revised Statutes, 39-28.5-107,
25 **amend** (1) as follows:

26 **39-28.5-107. When credit may be obtained for tax paid.**

27 (1) Where tobacco products, upon which the tax imposed by this ~~article~~
28 ARTICLE 28.5 has been reported and paid, are shipped or transported by
29 the distributor to retailers without the state to be sold by those retailers,
30 are shipped or transported by the distributor to a consumer without the
31 state on or after ~~September 1, 2015, but prior to September 1, 2018~~
32 JANUARY 1, 2020, or are returned to the manufacturer by the distributor
33 or destroyed by the distributor, credit of such tax may be made to the
34 distributor in accordance with regulations prescribed by the department."

35 Page 13, strike lines 2 through 7 and substitute:

1 "(2) (a) "DISTRIBUTOR" MEANS EVERY PERSON WHO IS DOING
2 BUSINESS IN THIS STATE AND WHO:
3 (I) FIRST RECEIVES NICOTINE PRODUCTS IN THIS STATE;
4 (II) SELLS NICOTINE PRODUCTS IN THIS STATE AND IS PRIMARILY
5 LIABLE FOR THE NICOTINE PRODUCTS TAX ON THE NICOTINE PRODUCTS;
6 (III) FIRST SELLS OR OFFERS FOR SALE IN THIS STATE NICOTINE
7 PRODUCTS IMPORTED INTO THIS STATE FROM ANY OTHER STATE OR
8 COUNTRY; AND
9 (IV) SELLS NICOTINE PRODUCTS DIRECTLY TO A CONSUMER:
10 (A) INTO THE STATE BY MAIL OR DELIVERY SERVICE; AND
11 (B) THROUGH THE INTERNET OR A COMPUTER NETWORK, BY
12 TELEPHONE, OR THROUGH ANY OTHER MEANS.
13 (b) FOR PURPOSES OF SUBSECTION (2)(a) OF THIS SECTION, THE
14 DEPARTMENT OF REVENUE SHALL ESTABLISH BY RULE A STANDARD FOR
15 "DOING BUSINESS IN THIS STATE".

16 Page 19, strike line 7 and substitute "BE SOLD BY THOSE RETAILERS, ARE
17 SHIPPED OR TRANSPORTED BY THE DISTRIBUTOR TO A CONSUMER WITHOUT
18 THE STATE ON OR AFTER JANUARY 1, 2020, OR ARE RETURNED TO THE
19 MANUFACTURER".

20 Page 44, line 8, strike "18" and substitute "20".

21 Page 44, line 12, strike "18" and substitute "20".

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