A BILL FOR AN ACT

CONCERNING CONTINUATION OF THE AUTHORITY OF THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE TO ISSUE WRITTEN RESPONSES UPON THE REQUEST OF A TAXPAYER.

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://www.leg.state.co.us/billsummaries.)

Sunset Process - House Business Affairs and Labor Committee. Currently, the executive director of department of revenue (department), or the executive director's designee, is charged with issuing the following upon written request from a taxpayer:

! Private letter rulings (binding determinations regarding the
tax consequences of a proposed or completed transaction); and

Information letters (nonbinding statements providing general information regarding any tax administered by the department).

This duty is currently scheduled to sunset on September 1, 2016. The bill continues the requirement of the department to issue these letters until September 1, 2023.

The bill also specifies that the department must track the total state full-time equivalent (FTE) personnel positions necessary and the hours dedicated by each FTE for the issuance, declination, modification, or revocation of all information letters or private letter rulings.

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

SECTION 1. In Colorado Revised Statutes, 24-35-103.5, amend (7); and add (3.5) as follows:

24-35-103.5. Private letter rulings - information letters - fees - creation of fund - definitions - repeal. (3.5) The department of revenue shall track the total full-time equivalent personnel positions necessary and the hours dedicated by each FTE for the issuance, declination, modification, or revocation of all information letters or private letter rulings as required by this section.

(7) This section is repealed, effective September 1, 2016, September 1, 2023. Prior to such repeal, the information letter and private letter ruling function of the executive director of the department of revenue shall be reviewed as provided for in section 24-34-104. The general assembly shall not continue to authorize the department of revenue to retain full-time equivalent employee authorization to issue information letters and private letter rulings after this section is repealed.

SECTION 2. In Colorado Revised Statutes, 24-34-104, amend (47.5) introductory portion; repeal (47.5) (d); and add (54) (b) as
follows:

24-34-104. General assembly review of regulatory agencies and functions for termination, continuation, or reestablishment. (47.5) The following agencies, functions, or both, shall terminate on September 1, 2016:

(d) The issuance of information letters and private letter rulings by the executive director of the department of revenue in accordance with section 24-35-103.5;

(54) The following agencies, functions, or both, terminate on September 1, 2023:

(b) The issuance of information letters and private letter rulings by the executive director of the department of revenue in accordance with section 24-35-103.5;

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.