

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 16-1025.01 Esther van Mourik x4215

SENATE BILL 16-130

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SENATE SPONSORSHIP

Scott, Baumgardner, Cadman, Cooke, Crowder, Hill, Holbert, Scheffel

HOUSE SPONSORSHIP

(None),

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Senate Committees  
Finance

House Committees

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A BILL FOR AN ACT

101 CONCERNING THE METHODS USED BY THE DEPARTMENT OF REVENUE  
102 TO COLLECT CONSUMER USE TAX.

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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>.)*

Consumer use tax is the complement to sales tax and is due on the purchases of goods where the retailer did not charge sales tax. For example, any time consumers make an internet purchase and the out-of-state retailer does not charge sales tax, the purchaser should pay the equivalent amount of sales tax as consumer use tax directly to the department of revenue.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

The Colorado department of revenue has added a use tax line to the 2015 individual income tax return form in an effort to make self-reporting of use tax more convenient for consumers.

The bill specifies that after the 2015 income tax year the department of revenue is not allowed to add use tax reporting lines to the individual income tax return form for any reason.

The bill also prohibits the department of revenue from auditing any taxpayer for any amount he or she reported on the use tax lines included in the 2015 individual income tax return form.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-26-202, **amend**  
3 (1) (c) as follows:

4 **39-26-202. Authorization of tax.** (1) (c) (I) Such tax shall be  
5 payable to and shall be collected by the executive director of the  
6 department of revenue and shall be computed in accordance with  
7 schedules or systems approved by said executive director; EXCEPT THAT  
8 AFTER THE INCOME TAX YEAR COMMENCING JANUARY 1, 2015, THE  
9 EXECUTIVE DIRECTOR SHALL NOT ADD USE TAX REPORTING LINES TO ANY  
10 INDIVIDUAL INCOME TAX RETURN FORM FOR ANY REASON. The transfer of  
11 wireless telecommunication equipment as an inducement to enter into or  
12 continue a contract for telecommunication services that are taxable  
13 pursuant to part 1 of this article shall not be construed to be storage, use,  
14 or consumption of such equipment by the transferor.

15 (II) NOTWITHSTANDING ANY OTHER SECTION OF LAW, THE  
16 DEPARTMENT OF REVENUE SHALL NOT AUDIT ANY TAXPAYER FOR ANY  
17 AMOUNT HE OR SHE REPORTED ON THE USE TAX LINES INCLUDED IN THE  
18 2015 INDIVIDUAL INCOME TAX RETURN FORM.

19 **SECTION 2. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.