

SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

April 4, 2017
Date

Committee on Finance.

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

SB17-238 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 2, strike lines 2 and 3 and substitute:

2 "SECTION 1. In Colorado Revised Statutes, 39-21-112, **amend**
3 (3.5)(d)(I)(B); **repeal** (3.5)(d)(II) and (3.5)(d)(III)(B); and **add** (3.5)(e)
4 as follows:".

5 Page 3, after line 6 insert:

6 "(e) (I) IN ORDER TO PROPERLY EDUCATE COLORADO TAXPAYERS
7 OF THEIR OBLIGATION TO PAY SALES TAX ON INTERNET PURCHASES, THE
8 DEPARTMENT SHALL CREATE A "KNOW WHAT YOU OWE" EDUCATIONAL
9 CAMPAIGN ON THEIR WEBSITE COMMENCING ON THE EFFECTIVE DATE OF
10 THIS SUBSECTION (3.5)(e) THROUGH JULY 2021. THE CAMPAIGN MUST
11 EXPLAIN THAT PURCHASING ITEMS FROM AN OUT-OF-STATE RETAILER
12 SUCH AS THOSE PURCHASED OVER THE INTERNET OR BY CATALOG MAY
13 REQUIRE TAXES TO BE PAID TO THE STATE AND CERTAIN SPECIAL DISTRICTS
14 ON THE PURCHASE PRICE. THE CAMPAIGN MUST ALSO DISPLAY THE
15 "SPECIAL DISTRICT RATES AND BOUNDARIES TABLE". THE CAMPAIGN
16 MUST BE WRITTEN AT AN 8TH GRADE READING LEVEL SO ALL TAXPAYERS
17 CAN UNDERSTAND HOW TO CALCULATE THE TAXES THEY OWE ON THEIR
18 OUT-OF-STATE RETAIL PURCHASES FROM ONLINE AND BY CATALOG
19 RETAILERS THAT DO NOT COLLECT COLORADO SALES TAX.

20 (II) COMMENCING WITH THE 2018 COLORADO INCOME TAX FILING
21 GUIDE BOOKLET, AND EACH INCOME TAX FILING GUIDE BOOKLET
22 THEREAFTER, THE DEPARTMENT SHALL ADD A DEDICATED "KNOW WHAT

1 YOU OWE" SECTION TO EACH BOOKLET SENT TO ALL TAXPAYERS. THE
2 "KNOW WHAT YOU OWE" SECTION MUST EXPLAIN THAT PURCHASING
3 ITEMS FROM AN OUT-OF-STATE RETAILER OVER THE INTERNET OR BY
4 CATALOG MAY REQUIRE TAXES TO BE PAID TO THE STATE AND CERTAIN
5 SPECIAL DISTRICTS ON THE PURCHASE PRICE. THE SECTION MUST ALSO
6 INCLUDE THE "SPECIAL DISTRICT RATES AND BOUNDARIES TABLE". THE
7 SECTION MUST BE WRITTEN AT AN 8TH GRADE READING LEVEL SO ALL
8 TAXPAYERS CAN UNDERSTAND HOW TO CALCULATE THE TAXES THEY OWE
9 ON THEIR OUT-OF-STATE RETAIL PURCHASES FROM ONLINE AND BY
10 CATALOG RETAILERS THAT DO NOT COLLECT COLORADO SALES TAX."

11 Page 3, strike lines 7 through 19 and substitute:

12 "SECTION 2. **Applicability.** This act applies to all purchases
13 made by Colorado purchasers on or after the effective date of this act
14 from each retailer that does not collect Colorado sales tax.

15 SECTION 3. **Safety clause.** The general assembly hereby finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, and safety."

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