



**Legislative
Council Staff**

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number:	LLS 19-1086	Date:	April 16, 2019
Prime Sponsors:	Rep. Herod Sen. Todd; Lundeen	Bill Status:	House Finance
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Bill Topic: OCCASIONAL SALES BY CHARITABLE ORGANIZATIONS

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill increases the amount of occasional sales by charitable organizations that are exempt from sales tax from \$25,000 to \$45,000 per year. It also removes the requirement that occasional sales take place no more than 12 days per year. It will decrease state revenue and increase state agency workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under HB 19-1323**

		FY 2019-20	FY 2020-21
Revenue	General Fund	(at least \$34,800)	(at least \$35,600)
Expenditures		-	-
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill increases the amount of occasional sales by a charitable organization that can be exempted from sales tax from \$25,000 per year to \$45,000 per year. The bill also removes the requirement that these occasional sales take place no more than 12 days per year.

Assumptions

No comprehensive data exist on charitable organizations that have taxable occasional sales. It is assumed that at least 60 charitable organizations will be impacted by this bill, which include those organizations with over \$25,000 in occasional sales. If more information becomes available, this fiscal note will be updated accordingly.

Technical note. This bill includes an effective date of January 1, 2019, which has already passed. Therefore, the revenue impact of the bill is assumed to start July 1, 2019, instead of January 1, 2019.

State Revenue

This bill is estimated to decrease state revenue by at least \$34,800 in FY 2019-20 and by at least \$35,600 in FY 2020-21, with similar impacts in future years.

State Expenditures

This bill will have a workload impact on the Department of Revenue to update instructions and documentation, which can be achieved with existing resources. The Department of Personnel and Administration may have a workload reduction for document management if the number of sales tax filings decreases in line with the increased exemption.

Local Government

This bill will have a minimal fiscal impact for those local taxing jurisdictions that have adopted the state's sales tax base and include this exemption.

Effective Date

As drafted, the bill takes effect January 1, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed. See Technical Note above.

State and Local Government Contacts

Counties
Revenue

Municipalities
Personnel

Regional Transportation District