



Legislative
Council Staff

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FISCAL NOTE

Drafting Number:	LLS 20-0567	Date:	February 5, 2020
Prime Sponsors:	Rep. Arndt; McKean Sen. Moreno	Bill Status:	House Business
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Bill Topic: RESIDENTS OF BORDERING STATES SALES TAX EXEMPTION

Summary of Fiscal Impact: **No fiscal impact.** This bill repeals the sales tax exemption for sales to residents of bordering states without a retail sales tax. The bill does not affect the revenue, expenditures, or workload of any state agency and thus is assessed as having no fiscal impact.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill, which is recommended by the Statutory Revision Committee.

Summary of Legislation

This bill repeals the sales tax exemption for sales to residents of bordering states without a retail sales tax.

Assessment of No Fiscal Impact

This bill is assessed as having no fiscal impact. The Office of the State Auditor (OSA) reviewed this tax expenditure and determined that the deduction is obsolete because all of Colorado's neighboring states assess a retail sales tax. The Department of Revenue does not require any modifications to tax forms, staffing, or programming. The bill does not affect the revenue, expenditures, or workload of any state or local government entity. OSA's report can be found here: https://leg.colorado.gov/sites/default/files/2018-te11_sales_to_residents_of_bordering_states.pdf

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology Personnel Revenue State Auditor