

CHAPTER 22

TAXATION

HOUSE BILL 20-1023

BY REPRESENTATIVE(S) Kraft-Tharp and Van Winkle, Arndt, Bird, Buentello, Duran, Exum, Hooton, Kennedy, Kipp, McKean, Michaelso Jenet, Rich, Titone, Williams D.;
also SENATOR(S) Williams A. and Tate, Bridges, Cooke, Crowder, Gardner, Hisey, Holbert, Lundeen, Priola, Scott, Smallwood, Woodward.

AN ACT**CONCERNING CERTAIN ADDRESS DATABASE SYSTEMS USED FOR SALES AND USE TAX COLLECTION.**

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

SECTION 1. In Colorado Revised Statutes, **add** 39-26-105.2 as follows:

39-26-105.2. Remittance of tax - GIS - vendor held harmless - requirements of GIS database - rules - definition. (1) FOR PURPOSES OF THIS SECTION, "GIS DATABASE" MEANS THE GEOGRAPHIC INFORMATION SYSTEM DATABASE THAT THE DEPARTMENT OF REVENUE OWNS AND MAINTAINS, THAT MEETS THE DEFINED SCOPE OF WORK SET FORTH IN THE REQUEST FOR SOLICITATION, AND IS PROVIDED TO VENDORS TO DETERMINE THE JURISDICTIONS TO WHICH TAX IS OWED AND TO CALCULATE APPROPRIATE SALES AND USE TAX RATES FOR INDIVIDUAL ADDRESSES.

(2) THE DEPARTMENT OF REVENUE SHALL IMMEDIATELY NOTIFY VENDORS WHEN THE GIS DATABASE IS ONLINE, TESTED, AND VERIFIED BY THE DEPARTMENT OF REVENUE TO BE OPERATIONAL, SUPPORTED, AND AVAILABLE FOR USE. NOTIFICATION TO VENDORS MAY BE PROVIDED IN ANY WAY THAT THE DEPARTMENT DEEMS APPROPRIATE AND MUST BE ACCOMPLISHED WITHIN EXISTING RESOURCES.

(3) ANY VENDOR THAT COLLECTS AND REMITS SALES TAX TO THE DEPARTMENT OF REVENUE AS PROVIDED BY LAW MAY USE THE GIS DATABASE. ANY VENDOR THAT DIRECTLY USES THE DATA CONTAINED IN THE GIS DATABASE, OR USES DATA FROM A THIRD-PARTY DATABASE THAT IS VERIFIED TO USE THE MOST RECENT INFORMATION PROVIDED BY THE GIS DATABASE, TO DETERMINE THE JURISDICTIONS TO WHICH TAX IS OWED IS HELD HARMLESS FOR ANY TAX, CHARGE, OR FEE LIABILITY TO ANY TAXING JURISDICTION THAT OTHERWISE WOULD BE DUE SOLELY AS A RESULT

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

OF AN ERROR OR OMISSION IN THE GIS DATABASE DATA.

(4) THE DEPARTMENT OF REVENUE SHALL ENSURE THAT THE GIS DATABASE DATA IS AT LEAST NINETY-FIVE PERCENT ACCURATE BASED ON A STATISTICALLY VALID SAMPLE OF ADDRESSES FROM THE DATABASE, OR BASED ON ANOTHER ACCEPTABLE METHOD OF PROVING ACCURACY.

(5) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE SHALL PROMULGATE RULES FOR THE ADMINISTRATION OF THIS SECTION. SUCH RULES MUST BE PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24.

SECTION 2. In Colorado Revised Statutes, 39-26-105.3, **add** (8) as follows:

39-26-105.3. Remittance of tax - electronic database - vendor held harmless - repeal. (8) THIS SECTION IS REPEALED, EFFECTIVE NINETY DAYS AFTER THE DATE THAT THE REVISOR OF STATUTES IS NOTIFIED BY THE DEPARTMENT OF REVENUE THAT A GEOGRAPHIC INFORMATION SYSTEM THAT MEETS THE DEFINED SCOPE OF WORK SET FORTH IN THE REQUEST FOR SOLICITATION, PROVIDED BY THE STATE, IS ONLINE, TESTED, AND VERIFIED BY THE DEPARTMENT OF REVENUE TO BE OPERATIONAL, SUPPORTED, AND AVAILABLE FOR A RETAILER TO USE TO DETERMINE THE TAXING JURISDICTION IN WHICH AN ADDRESS RESIDES. THE DEPARTMENT OF REVENUE SHALL NOTIFY THE REVISOR OF STATUTES IN WRITING, BY EMAIL TO REVISOROFSTATUTES@STATE.CO.US, NO LATER THAN FIFTEEN DAYS AFTER SUCH A SYSTEM IS ONLINE, TESTED, AND VERIFIED BY THE DEPARTMENT OF REVENUE TO BE OPERATIONAL, SUPPORTED, AND AVAILABLE FOR USE.

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, or safety.

Approved: March 11, 2020