

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 21-1029.01 Esther van Mourik x4215

SENATE BILL 21-282

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A BILL FOR AN ACT

101 **CONCERNING AN EXTENSION OF THE SMALL RETAILER EXCEPTION TO**
102 **THE SALES AND USE TAX DESTINATION SOURCING RULES.**

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://leg.colorado.gov>.)

By enacting House Bill 19-1420 in 2019, the state codified the department of revenue's destination sourcing rule for state sales and use tax collection for sales and use taxes imposed by any statutory incorporated town, city, or county and for special districts. That bill allowed small retailers to source their sales to the business' location regardless of where the purchaser receives the tangible personal property

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

HOUSE
2nd Reading Unamended
June 3, 2021

SENATE
3rd Reading Unamended
May 27, 2021

SENATE
2nd Reading Unamended
May 26, 2021

or service until 90 days after a geographic information system provided by the state is online and available for the retailer to determine the taxing jurisdiction in which an address resides. On April 1, 2021, the department of revenue issued a notice that the geographic information system is online and meets the requirements. Therefore, under current law, the small retailer exception to the sales tax destination sourcing rules will repeal on June 30, 2021.

This bill allows small retailers to source their sales to the business' location regardless of where the purchaser receives the tangible personal property or service until February 1, 2022.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-26-104, **repeal**
3 (3)(c)(III); and **add** (3)(c)(IV) as follows:

4 **39-26-104. Property and services taxed - definitions - repeal.**

5 ~~(3) (c) (III) (A) This subsection (3)(c) is repealed effective ninety days~~
6 ~~after the date that the revisor of statutes is notified by the department of~~
7 ~~revenue that a geographic information system that meets the defined~~
8 ~~scope of work set forth in the request for solicitation, provided by the~~
9 ~~state, is online and available for a retailer to use to determine the taxing~~
10 ~~jurisdiction in which an address resides. The department of revenue shall~~
11 ~~notify the revisor of statutes no later than fifteen days after such a system~~
12 ~~is online.~~

13 ~~(B) The department of revenue shall immediately notify the~~
14 ~~retailers described in subsection (3)(c)(I) of this section that the~~
15 ~~geographic information system described in subsection (3)(c)(III)(A) of~~
16 ~~this section is online and that ninety days after the date of the notice to the~~
17 ~~revisor of statutes described in subsection (3)(c)(III)(A) of this section,~~
18 ~~the sourcing rules set forth in subsections (3)(a) and (3)(b) of this section~~
19 ~~will apply to all sales made by such retailers on and after such date.~~

20 (IV) THIS SUBSECTION (3)(c) IS REPEALED, EFFECTIVE FEBRUARY

1 1, 2022.

2 **SECTION 2.** In Colorado Revised Statutes, 39-26-204, **repeal**
3 (2)(b)(II); and **add** (2)(b)(III) as follows:

4 **39-26-204. Periodic return - collection - repeal.** (2) (b) (II) ~~This~~
5 ~~subsection (2)(b) is repealed effective ninety days after the date that the~~
6 ~~revisor of statutes is notified by the department of revenue that a~~
7 ~~geographic information system that meets the defined scope of work set~~
8 ~~forth in the request for solicitation, provided by the state, is online and~~
9 ~~available for a retailer to use to determine the taxing jurisdiction in which~~
10 ~~an address resides. The department shall notify the revisor of statutes no~~
11 ~~later than fifteen days after such a system is online.~~

12 (III) THIS SUBSECTION (2)(b) IS REPEALED, EFFECTIVE FEBRUARY
13 1, 2022.

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