

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

**REREVISED**

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

LLS NO. 22-0149.01 Ed DeCecco x4216

**HOUSE BILL 22-1027**

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**House Committees**  
Business Affairs & Labor

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**A BILL FOR AN ACT**

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

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**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/>.)*

**Sales and Use Tax Simplification Task Force.** State sales tax is currently calculated based on the buyer's address when the taxable product or service is delivered to a consumer, and this is known as destination sourcing. There is an exception that allows small retailers with less than \$100,000 of retail sales to source their sales to the business' location regardless of where a purchaser receives the tangible personal

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.*

SENATE  
3rd Reading Unamended  
January 28, 2022

SENATE  
2nd Reading Unamended  
January 27, 2022

HOUSE  
3rd Reading Unamended  
January 24, 2022

HOUSE  
2nd Reading Unamended  
January 21, 2022

property or service, but this exception expires on February 1, 2022. The bill extends the repeal of the exception from February 1, 2022, until October 1, 2022.

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

2           **SECTION 1.** In Colorado Revised Statutes, 39-26-104, **amend**  
3 (3)(c)(IV) as follows:

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

5 (3) (c) (IV) This subsection (3)(c) is repealed, effective ~~February 1, 2022~~  
6 OCTOBER 1, 2022.

7           **SECTION 2.** In Colorado Revised Statutes, 39-26-204, **amend**  
8 (2)(b)(III) as follows:

9           **39-26-204. Periodic return - collection - repeal.**

10 (2) (b) (III) This subsection (2)(b) is repealed, effective ~~February 1, 2022~~  
11 OCTOBER 1, 2022.

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