

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0822.01 Ed DeCecco x4216

HOUSE BILL 22-1311

HOUSE SPONSORSHIP

Pico and Woodrow, Lynch, Valdez D.

SENATE SPONSORSHIP

Woodward, Kirkmeyer, Moreno, Zenzinger

House Committees

Transportation & Local Government

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE CORRECTION OF TECHNICAL DEFECTS WITH
102 DEFINITIONS THAT RESULTED FROM A RESTRUCTURING OF THE
103 GASOLINE AND SPECIAL FUEL TAX IN 2021.

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/>.)

Statutory Revision Committee. In 2021, the general assembly enacted a law to restructure the gasoline and special fuel tax. As a result of that legislation, there are 2 defects with the definitions used for purposes of the tax. First, within the definition of "bulk transfer and terminal system", which generally applies to gasoline and special fuel,

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.

there is one reference that only applies to gasoline. The bill adds special fuel to the definition, so that the definition consistently applies to both types of fuel.

Second, the definition of "gasoline" lists fuels that are excluded from the definition. As part of restructuring the fuel tax statutes, the 2021 legislation removed from the list of excluded fuels a certain type of aviation fuel and instead created an exemption that achieved the same effect as the exclusion. In doing so, the legislation also inadvertently removed from the definition of "gasoline" another type of aviation fuel that remains subject to tax at a special rate specifically prescribed by statute for this fuel. This bill adds aviation fuel back to the definition of "gasoline" so that it is clear that the nonexempt fuel continues to be subject to the tax.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-27-101, **amend**
3 (4.2) and (12) as follows:

4 **39-27-101. Definitions - construction.** As used in this part 1,
5 unless the context otherwise requires:

6 (4.2) "Bulk transfer and terminal system" means the distribution
7 system for gasoline and special fuel consisting of refineries, pipelines,
8 vessels, and terminals. Gasoline or special fuel in the tank of any vehicle
9 or in any trailer, truck, or other equipment suitable for ground
10 transportation is not in the bulk transfer and terminal system. Gasoline OR
11 SPECIAL FUEL in any railcar is not in the bulk transfer and terminal system
12 unless it is being transferred from a refinery to a terminal operated by the
13 refiner.

14 (12) "Gasoline" means any flammable liquid used primarily as a
15 fuel for the propulsion of motor vehicles, motor boats, or aircraft.
16 "Gasoline" does not include diesel engine fuel, kerosene, liquefied
17 petroleum gas, or natural gas; EXCEPT THAT "GASOLINE" DOES INCLUDE
18 PRODUCTS, INCLUDING KEROSENE, SPECIALLY PREPARED FOR, SOLD FOR,

1 AND USED IN AIRCRAFT. Except as otherwise provided in this subsection
2 (12), any product once blended with gasoline is considered gasoline for
3 purposes of the excise tax imposed pursuant to this part 1.

4 **SECTION 2. Act subject to petition - effective date.** This act
5 takes effect at 12:01 a.m. on the day following the expiration of the
6 ninety-day period after final adjournment of the general assembly; except
7 that, if a referendum petition is filed pursuant to section 1 (3) of article V
8 of the state constitution against this act or an item, section, or part of this
9 act within such period, then the act, item, section, or part will not take
10 effect unless approved by the people at the general election to be held in
11 November 2022 and, in such case, will take effect on the date of the
12 official declaration of the vote thereon by the governor.