

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

INTRODUCED

LLS NO. 23-0222.01 Jery Payne x2157

SENATE BILL 23-055

SENATE SPONSORSHIP

Gardner,

HOUSE SPONSORSHIP

(None),

Senate Committees
Transportation & Energy

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE PAYMENT OF GOVERNMENTAL CHARGES RELATED**
102 **TO THE OWNERSHIP OF A VEHICLE THAT IS REGISTERED WITH A**
103 **PEER-TO-PEER CAR SHARING PROGRAM.**

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>.)

The bill addresses the payment of sales and use and specific ownership taxes owed on cars registered with peer-to-peer car sharing programs (car sharing program), which are programs or applications that connect third-party car owners (shared car owner) with third-party drivers for the purpose of renting a motor vehicle (shared car). A car sharing

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

program is required to verify that the shared car owner has:

- Either paid the state and local sales and use taxes due on the sale and purchase of the shared car or acquired the shared car tax free on the condition that the shared car owner agrees to collect sales and use tax on each rental of the shared car; and
- Either paid the specific ownership tax or elected to pay specific ownership tax based on each rental of the shared car.

If the shared car owner has elected to pay specific ownership tax on each rental of the shared car, the car sharing program collects and remits the taxes on behalf of the shared car owner. If the shared car owner has received permission to collect and remit sales and use tax on each rental of the shared car, the car sharing program collects and remits the state tax and any state-administered local taxes on behalf of the shared car owner.

Counties and municipalities are authorized to enforce the collection of any tax or fee imposed on the business of renting shared cars by requiring the car sharing program to collect the tax or fees for the rental of shared cars registered with the car sharing program.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 6-1-1215 as
3 follows:

4 **6-1-1215. Collection of taxes and fees on shared cars - repeal.**

5 (1) A CAR SHARING PROGRAM SHALL NOT REGISTER A SHARED CAR WITH
6 THE CAR SHARING PROGRAM OR FACILITATE A CAR SHARING AGREEMENT
7 UNLESS THE SHARED CAR OWNER PROVIDES EVIDENCE TO THE CAR
8 SHARING PROGRAM THAT THE SHARED CAR OWNER HAS:

9 (a) EITHER:

10 (I) PAID THE STATE AND LOCAL SALES AND USE TAXES DUE ON THE
11 SALE AND PURCHASE OF THE SHARED CAR; OR

12 (II) RECEIVED PERMISSION FROM THE DEPARTMENT OF REVENUE
13 TO ACQUIRE THE MOTOR VEHICLE WITHOUT PAYING STATE AND LOCAL
14 SALES AND USE TAXES ON THE CONDITION THAT THE SHARED CAR OWNER

1 AGREE TO COLLECT SALES AND USE TAX ON EACH RENTAL OF THE SHARED
2 CAR; AND

3 (b) EITHER:

4 (I) PAID THE SPECIFIC OWNERSHIP TAX IMPOSED IN ACCORDANCE
5 WITH SECTION 42-3-107 (10); OR

6 (II) ELECTED, IF THE OWNER IS QUALIFIED UNDER SECTION
7 42-3-107, TO PAY SPECIFIC OWNERSHIP TAX IN ACCORDANCE WITH
8 SECTION 42-3-107 (11) ON EACH RENTAL OF THE SHARED CAR.

9 (2) IF THE SHARED CAR OWNER HAS ELECTED TO PAY SPECIFIC
10 OWNERSHIP TAX IN ACCORDANCE WITH SECTION 42-3-107 (11) FOR EACH
11 RENTAL OF THE SHARED CAR, THE CAR SHARING PROGRAM SHALL COLLECT
12 AND REMIT THE TAXES, ON BEHALF OF THE SHARED CAR OWNER, TO THE
13 APPROPRIATE AUTHORIZED AGENT, AS DEFINED IN SECTION 42-1-102 (5).

14 (3) IF THE SHARED CAR OWNER HAS RECEIVED PERMISSION TO
15 COLLECT AND REMIT SALES AND USE TAX, IMPOSED IN ACCORDANCE WITH
16 SECTION 39-26-104, ON EACH RENTAL OF THE SHARED CAR, THE CAR
17 SHARING PROGRAM SHALL COLLECT AND REMIT THE STATE TAX AND ANY
18 STATE-ADMINISTERED LOCAL TAXES, ON BEHALF OF THE SHARED CAR
19 OWNER, TO THE DEPARTMENT OF REVENUE.

20 (4) (a) THIS SECTION TAKES EFFECT ON FEBRUARY 1, 2024.

21 (b) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JULY 1, 2025.

22 **SECTION 2.** In Colorado Revised Statutes, 30-11-107, **amend**
23 (1)(ll); and **add** (1)(mm) as follows:

24 **30-11-107. Powers of the board - repeal.** (1) The board of
25 county commissioners of each county has power at any meeting:

26 (ll) To enter into loan agreements with any governmental entity
27 that is created by or located within the county in accordance with section

1 30-25-106.5; AND

2 (mm) TO ENFORCE THE COLLECTION OF ANY TAX OR FEE IMPOSED
3 ON THE BUSINESS OF RENTING MOTOR VEHICLES BY REQUIRING A CAR
4 SHARING PROGRAM, AS DEFINED IN SECTION 6-1-1202 (4), TO COLLECT THE
5 TAX OR FEES FOR THE RENTAL OF MOTOR VEHICLES REGISTERED WITH THE
6 CAR SHARING PROGRAM.

7 **SECTION 3.** In Colorado Revised Statutes, 31-15-501, **add** (1)(s)
8 as follows:

9 **31-15-501. Powers to regulate businesses.** (1) The governing
10 bodies of municipalities have the following powers to regulate
11 businesses:

12 (s) TO ENFORCE THE COLLECTION OF ANY TAX OR FEE IMPOSED ON
13 THE BUSINESS OF RENTING MOTOR VEHICLES BY REQUIRING A CAR
14 SHARING PROGRAM, AS DEFINED IN SECTION 6-1-1202 (4), TO COLLECT THE
15 TAX OR FEES FOR THE RENTAL OF MOTOR VEHICLES REGISTERED WITH THE
16 CAR SHARING PROGRAM.

17 **SECTION 4. Act subject to petition - effective date -**
18 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
19 the expiration of the ninety-day period after final adjournment of the
20 general assembly; except that, if a referendum petition is filed pursuant
21 to section 1 (3) of article V of the state constitution against this act or an
22 item, section, or part of this act within such period, then the act, item,
23 section, or part will not take effect unless approved by the people at the
24 general election to be held in November 2024 and, in such case, will take
25 effect on the date of the official declaration of the vote thereon by the
26 governor.

1 (2) This act applies to vehicles registered with a car sharing
2 program or shared on or after February 1, 2024.