

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

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0042.01 Alison Killen x4350

**HOUSE BILL 24-1027**

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**HOUSE SPONSORSHIP**

**Winter T.,**

**SENATE SPONSORSHIP**

**Pelton B.,**

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**House Committees**

Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING TAX RELIEF FOR PRODUCTS ESSENTIAL TO MINORS, AND,**  
102                    **IN CONNECTION THEREWITH, CREATING A SALES AND USE TAX**  
103                    **EXEMPTION FOR BABY AND TODDLER PRODUCTS AND CREATING**  
104                    **A SALES AND USE TAX HOLIDAY FOR BACK-TO-SCHOOL ITEMS.**

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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>.)*

**Section 1** of the bill creates, beginning on January 1, 2025, and continuing indefinitely, a state sales and use tax exemption for baby and toddler products. A "baby and toddler product" is defined to include a

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.

baby crib, playpen, or play yard; a baby stroller; a baby safety gate, cabinet lock or latch, or electrical socket cover; a baby monitor; a bicycle child carrier seat, or trailer, including an adaptor or accessory; a baby exerciser, jumper, bouncer seat, or swing; a breast pump, bottle sterilizer, bottle, or nipple, pacifier, or teething ring; baby wipes; a changing table or pad; and baby and toddler clothing.

**Section 1** also creates a time-limited state sales and use tax exemption, or sales and use tax holiday, for back-to-school items. The tax holiday applies for 14 days beginning on January 1, 2025, and for an additional 14 days beginning on July 24, 2025. A "back-to-school item" is defined to mean an article of clothing, a bag, a school supply, a learning aid, or a personal computer or personal computer-related accessory that is purchased primarily for use by an individual who is a minor. The exemption for each item is limited by cost as follows:

- \$100 for an article of clothing or a bag;
- \$50 for a school supply;
- \$30 for a learning aid; and
- \$1,500 for a personal computer or a personal computer-related accessory.

**Section 2** permits a town, city, or county to create sales and use tax exemptions that are identical to the state exemptions.

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

2           **SECTION 1.** In Colorado Revised Statutes, **add** 39-26-735 as  
3 follows:

4           **39-26-735. Baby and toddler products - back-to-school items**  
5 **- tax preference performance statement - legislative declaration -**

6 **definitions - repeal.** (1) IN ACCORDANCE WITH SECTION 39-21-304 (1),  
7 WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO  
8 INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A  
9 STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY  
10 FINDS AND DECLARES THAT:

11           (a) THE GENERAL LEGISLATIVE PURPOSE OF THE EXEMPTIONS  
12 ALLOWED BY THIS SECTION IS TO PROVIDE TAX RELIEF FOR CERTAIN  
13 INDIVIDUALS;

1 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE EXEMPTIONS  
2 ALLOWED BY THIS SECTION IS TO INCREASE THE AFFORDABILITY OF BABY  
3 AND TODDLER PRODUCTS AND BACK-TO-SCHOOL ITEMS AND TO REDRESS  
4 THE BURDEN THAT THE IMPOSITION OF SALES TAX PLACES ON MILLIONS OF  
5 PARENTS AND OTHER INDIVIDUALS CARING FOR INFANTS AND YOUNG  
6 CHILDREN IN COLORADO FOR WHOM SUCH PRODUCTS ARE ESSENTIAL; AND

7 (c) IN ORDER TO ALLOW THE GENERAL ASSEMBLY AND THE STATE  
8 AUDITOR TO MEASURE THE EFFECTIVENESS OF THE EXEMPTIONS ALLOWED  
9 BY SUBSECTIONS (3) AND (4) OF THIS SECTION, THE STATE AUDITOR SHALL  
10 IDENTIFY AVAILABLE DATA SOURCES AND ESTIMATE THE SAVINGS THAT  
11 THE EXEMPTIONS PROVIDE TO TAXPAYERS IN COLORADO FOR WHOM BABY  
12 AND TODDLER PRODUCTS AND BACK-TO-SCHOOL ITEMS ARE ESSENTIAL  
13 DURING THE STATE AUDITOR'S EVALUATION OF THE EXEMPTION PURSUANT  
14 TO SECTION 39-21-305.

15 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
16 REQUIRES:

17 (a) "BABY AND TODDLER PRODUCT" MEANS:

18 (I) A BABY CRIB, INCLUDING A BABY PLAYPEN OR A BABY PLAY  
19 YARD;

20 (II) A BABY STROLLER;

21 (III) A BABY SAFETY GATE;

22 (IV) A BABY MONITOR;

23 (V) A CHILD SAFETY CABINET LOCK OR LATCH OR AN ELECTRICAL  
24 SOCKET COVER;

25 (VI) A BICYCLE CHILD CARRIER SEAT OR TRAILER DESIGNED FOR  
26 CARRYING YOUNG CHILDREN, INCLUDING ANY ADAPTOR OR ACCESSORY  
27 FOR THE SEAT OR TRAILER;

1 (VII) A BABY EXERCISER, JUMPER, BOUNCER SEAT, OR SWING;

2 (VIII) A BREAST PUMP, BOTTLE STERILIZER, BABY BOTTLE OR  
3 NIPPLE, PACIFIER, OR TEETHING RING;

4 (IX) BABY WIPES;

5 (X) A CHANGING TABLE OR CHANGING PAD; AND

6 (XI) BABY AND TODDLER CLOTHING PRIMARILY INTENDED AND  
7 MARKETED FOR CHILDREN AGE FIVE OR YOUNGER. BABY AND TODDLER  
8 CLOTHING SIZE 5T AND SMALLER AND BABY AND TODDLER SHOES SIZE 13T  
9 AND SMALLER ARE PRESUMED TO BE PRIMARILY INTENDED FOR AND  
10 MARKETED FOR CHILDREN AGE FIVE OR YOUNGER.

11 (b) "BAG" MEANS A HANDBAG, BOOK BAG, BACKPACK, FANNY  
12 PACK, OR DIAPER BAG, BUT DOES NOT INCLUDE A BRIEFCASE, SUITCASE,  
13 LUGGAGE, OR OTHER GARMENT BAG.

14 (c) "BACK-TO-SCHOOL ITEM" MEANS AN ARTICLE OF CLOTHING, A  
15 BAG, A SCHOOL SUPPLY, A LEARNING AID, OR A PERSONAL COMPUTER OR  
16 PERSONAL COMPUTER-RELATED ACCESSORY THAT IS PURCHASED  
17 PRIMARILY FOR USE BY AN INDIVIDUAL WHO IS A MINOR.

18 (d) "CLOTHING" MEANS:

19 (I) ANY ARTICLE OF WEARING APPAREL INTENDED TO BE WORN ON  
20 THE PERSON, EXCLUDING A CLOTHING ACCESSORY; AND

21 (II) ANY FOOTWEAR, EXCLUDING SKIS, SNOWBOARDS, SWIM FINS,  
22 ROLLER BLADES, SKATES, AND OTHER RECREATIONAL EQUIPMENT.

23 (e) "CLOTHING ACCESSORY" MEANS AN INCIDENTAL ITEM WORN  
24 ON THE PERSON OR USED IN CONJUNCTION WITH CLOTHING. "CLOTHING  
25 ACCESSORY" INCLUDES JEWELRY, WALLETS, WATCHES, HATS, SCARVES,  
26 HOSIERY, TIES, BELTS, AND UMBRELLAS.

27 (f) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

1 (g) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF  
2 THE DEPARTMENT OF REVENUE.

3 (h) "LEARNING AID" MEANS A SET OF STACKING OR NESTING  
4 BLOCKS, FLASH CARDS OR OTHER LEARNING CARDS, A MATCHING OR  
5 MEMORY GAME, A PUZZLE BOOK OR SEARCH-AND-FIND BOOK, AN  
6 INTERACTIVE OR ELECTRONIC BOOK, OR ANY OTHER BOOK OR TOY  
7 INTENDED TO TEACH SKILLS TO CHILDREN.

8 (i) "LOCAL GOVERNMENT" MEANS A COUNTY, CITY AND COUNTY,  
9 OR MUNICIPALITY.

10 (j) (I) "PERSONAL COMPUTER" MEANS AN ELECTRONIC BOOK  
11 READER, LAPTOP, DESKTOP, HANDHELD, TABLET, OR TOWER COMPUTER  
12 PURCHASED FOR NONCOMMERCIAL HOME OR PERSONAL USE.

13 (II) "PERSONAL COMPUTER" DOES NOT INCLUDE A CELLULAR  
14 TELEPHONE, VIDEO GAME CONSOLE, DIGITAL MEDIA RECEIVER, OR OTHER  
15 DEVICE THAT IS NOT PRIMARILY DESIGNED TO PROCESS DATA.

16 (k) (I) "PERSONAL COMPUTER-RELATED ACCESSORY" INCLUDES A  
17 KEYBOARD, MOUSE, PERSONAL DIGITAL ASSISTANT, MONITOR, MODEM,  
18 ROUTER, NONRECREATIONAL SOFTWARE, AND OTHER PERIPHERAL DEVICES  
19 OR SOFTWARE PURCHASED FOR NONCOMMERCIAL HOME OR PERSONAL USE.

20 (II) "PERSONAL COMPUTER-RELATED ACCESSORY" DOES NOT  
21 INCLUDE FURNITURE OR SYSTEMS, DEVICES, SOFTWARE, MONITORS, OR  
22 OTHER PERIPHERAL DEVICES THAT ARE DESIGNED OR INTENDED PRIMARILY  
23 FOR RECREATIONAL USE.

24 (l) "SCHOOL SUPPLY" MEANS AN ART SUPPLY, BINDER POCKET,  
25 BINDER, BLACKBOARD CHALK, CALCULATOR, CELLOPHANE TAPE, CLAY  
26 AND GLAZE, COMPASS, COMPOSITION BOOK, CRAYON SET, DICTIONARY OR  
27 THESAURUS, DRY ERASE MARKER AND ERASER, FOLDER, GLUE AND PASTE,

1 HIGHLIGHTER, INDEX CARD SET AND BOX, LUNCH BOX, MAP OR GLOBE,  
2 MARKER, NOTEBOOK AND DIVIDER, PAPER OR PAD, PENCIL BOX OR OTHER  
3 BOXES FOR SCHOOL SUPPLIES, PENCIL SHARPENER, PENCIL AND ERASER,  
4 PEN, PROTRACTOR, REFERENCE BOOK, RULER, SCISSORS, TEXTBOOK, AND  
5 WORKBOOK.

6 (3) (a) BEGINNING ON JANUARY 1, 2025, ALL SALES OF BABY AND  
7 TODDLER PRODUCTS ARE EXEMPT FROM TAXATION UNDER PART 1 OF THIS  
8 ARTICLE 26.

9 (b) NOTWITHSTANDING SECTION 39-21-304 (4), THE EXEMPTION  
10 IN THIS SUBSECTION (3) CONTINUES INDEFINITELY.

11 (4) (a) DURING THE PERIOD BEGINNING AT 12:01 A.M. ON JANUARY  
12 1, 2025, AND ENDING AT MIDNIGHT ON JANUARY 14, 2025, AND DURING  
13 THE PERIOD BEGINNING AT 12:01 A.M. ON JULY 24, 2025, AND ENDING AT  
14 MIDNIGHT ON AUGUST 6, 2025, THE SALE OF A BACK-TO-SCHOOL ITEM,  
15 THE COST OF WHICH IS LESS THAN THE LIMIT ESTABLISHED IN SUBSECTION  
16 (4)(b) OF THIS SECTION, IS EXEMPT FROM THE TAX LEVIED PURSUANT TO  
17 PART 1 OF THIS ARTICLE 26.

18 (b) THE LIMIT FOR EACH BACK-TO-SCHOOL ITEM IS:  
19 (I) ONE HUNDRED DOLLARS FOR AN ARTICLE OF CLOTHING OR BAG;  
20 (II) FIFTY DOLLARS FOR A SCHOOL SUPPLY;  
21 (III) THIRTY DOLLARS FOR A LEARNING AID; AND  
22 (IV) ONE THOUSAND FIVE HUNDRED DOLLARS FOR A PERSONAL  
23 COMPUTER OR A PERSONAL COMPUTER-RELATED ACCESSORY.

24 (c) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JANUARY 1,  
25 2026.

26 (5) THE STORAGE, USE, OR CONSUMPTION OF A BABY OR TODDLER  
27 PRODUCT OR A BACK-TO-SCHOOL ITEM THAT IS EXEMPT AT THE TIME OF

1 PURCHASE FROM THE SALES TAX PURSUANT TO SUBSECTION (3) OR (4) OF  
2 THIS SECTION IS EXEMPT FROM THE USE TAX LEVIED PURSUANT TO PART 2  
3 OF THIS ARTICLE 26.

4 (6) THE DEPARTMENT OF REVENUE, IN CONSULTATION WITH THE  
5 STATE AUDITOR, SHALL COLLECT THE INFORMATION NECESSARY FOR THE  
6 STATE AUDITOR TO MEASURE THE EFFECTIVENESS OF THE EXEMPTION  
7 ALLOWED BY THIS SECTION AS REQUIRED BY SUBSECTION (1)(c) OF THIS  
8 SECTION.

9 (7) THE EXECUTIVE DIRECTOR MAY:

10 (a) MODIFY EXISTING FORMS OR CREATE NEW FORMS AS  
11 NECESSARY TO FACILITATE THE EXEMPTIONS CREATED IN SUBSECTIONS (3)  
12 AND (4) OF THIS SECTION; AND

13 (b) ADOPT RULES FOR THE ADMINISTRATION AND ENFORCEMENT  
14 OF THIS SECTION.

15 **SECTION 2.** In Colorado Revised Statutes, 29-2-105, **amend**  
16 (1)(d)(I)(T); and **add** (1)(d)(I)(V) and (1)(d)(I)(W) as follows:

17 **29-2-105. Contents of sales tax ordinances and proposals.**

18 (1) The sales tax ordinance or proposal of any incorporated town, city,  
19 or county adopted pursuant to this article 2 shall be imposed on the sale  
20 of tangible personal property at retail or the furnishing of services, as  
21 provided in subsection (1)(d) of this section. Any countywide or  
22 incorporated town or city sales tax ordinance or proposal shall include the  
23 following provisions:

24 (d) (I) A provision that the sale of tangible personal property and  
25 services taxable pursuant to this article 2 is the same as the sale of  
26 tangible personal property and services taxable pursuant to section  
27 39-26-104, except as otherwise provided in this subsection (1)(d). The

1 sale of tangible personal property and services taxable pursuant to this  
2 article 2 is subject to the same sales tax exemptions as those specified in  
3 part 7 of article 26 of title 39; except that the sale of the following may be  
4 exempted from a town, city, or county sales tax only by the express  
5 inclusion of the exemption either at the time of adoption of the initial  
6 sales tax ordinance or resolution or by amendment thereto:

7 (T) The exemption for sales of heat pump systems and heat pump  
8 water heaters set forth in section 39-26-732; ~~and~~

9 (V) THE EXEMPTION FOR BABY AND TODDLER PRODUCTS SET  
10 FORTH IN SECTION 39-26-735 (3); AND

11 (W) THE EXEMPTION FOR BACK-TO-SCHOOL ITEMS SPECIFIED IN  
12 SECTION 39-26-735 (4), FOR THE SAME PERIODS THAT THE STATE  
13 EXEMPTION IS AVAILABLE.

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