

**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. 24-0378.01 Alison Killen x4350

HOUSE BILL 24-1041

HOUSE SPONSORSHIP

Kipp and Taggart,

SENATE SPONSORSHIP

Bridges and Van Winkle,

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE STREAMLINING OF PROCESSES FOR FILING SALES**
102 **AND USE TAX RETURNS.**

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. Under current law, the executive director of the department of revenue is authorized to permit taxpayers whose monthly tax collected is less than \$300 to make returns and pay taxes at quarterly intervals. The bill increases that threshold to \$600 for returns that must be filed on and after January 1, 2025.

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.

The bill also imposes thresholds that home rule cities, towns, and city and counties that collect their own sales and use taxes and do not use the electronic sales and use tax simplification system administered by the department of revenue (SUTS) must adhere to in allowing taxpayers to make returns and pay sales and use taxes. On and after January 1, 2025, a taxpayer must be permitted to make returns and pay sales and use taxes as follows:

- Once a year if the taxpayer annually collects less than \$2,000;
- Quarterly if the taxpayer annually collects between \$2,000 and \$25,000; and
- Monthly if the taxpayer annually collects more than \$25,000.

Additionally, the bill requires all local taxing jurisdictions to begin using SUTS by July 1, 2025. Local taxing jurisdictions that do not begin using SUTS by July 1, 2025, will be precluded from participating in the streamlined process for collecting sales and use tax from retailers that have a state standard retail license and either do not have a physical presence within the local taxing jurisdiction or have only incidental presence.

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

2 **SECTION 1.** In Colorado Revised Statutes, 29-2-106, **amend** (8)
3 as follows:

4 **29-2-106. Collection - administration - enforcement.**

5 (8) **Uniform collection procedures.** (a) Each home rule city, town, and
6 city and county shall follow, and conform its ordinances where necessary
7 to, the statute of limitations applicable to the enforcement of state sales
8 and use tax collections, the statute of limitations applicable to refunds of
9 state sales and use taxes, the amount of penalties and interest payable on
10 delinquent remittances of state sales and use taxes, and the posting of
11 bonds pursuant to section 39-21-1050. ~~C.R.S.~~

12 (b) **A HOME RULE CITY, TOWN, AND CITY AND COUNTY THAT**
13 **COLLECTS ITS OWN SALES AND USE TAX AND DOES NOT USE THE**
14 **ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM CREATED IN**

1 SECTION 39-26-802.7 SHALL NOT COLLECT SALES AND USE TAX FROM
2 A RETAILER THAT DOES NOT HAVE PHYSICAL PRESENCE IN THE STATE
3 UNLESS THE RETAILER ELECTS TO COLLECT AND REMIT SALES AND USE TAX
4 OR ENTERS INTO A VOLUNTARY COLLECTION AGREEMENT WITH A HOME
5 RULE CITY, TOWN, OR CITY AND COUNTY.

6 SECTION 2. In Colorado Revised Statutes, amend 39-26-109 as
7 follows:

8 39-26-109. Reports of vendor. (1) If the accounting methods
9 regularly employed by the vendor in the transaction of his THE VENDOR'S
10 business, or other conditions, are such that reports of sales made on a
11 calendar-month basis will impose unnecessary hardship, the executive
12 director of the department of revenue, upon written request of the vendor,
13 may accept reports at such intervals as will in his THE EXECUTIVE
14 DIRECTOR'S opinion better suit the convenience of the taxpayer and will
15 not jeopardize the collection of the tax AS FOLLOWS:

16 (a) FOR RETURNS THAT MUST BE FILED BEFORE JANUARY 1, 2025,
17 the executive director may by rule permit taxpayers whose monthly tax
18 collected is less than three hundred dollars to make returns and pay taxes
19 at intervals not greater than every three months;

20 (b) FOR RETURNS THAT MUST BE FILED ON OR AFTER JANUARY 1,
21 2025, THE EXECUTIVE DIRECTOR MAY BY RULE PERMIT TAXPAYERS WHOSE
22 MONTHLY TAX COLLECTED IS LESS THAN SIX HUNDRED DOLLARS TO MAKE
23 RETURNS AND PAY TAXES AT INTERVALS NOT GREATER THAN EVERY
24 THREE MONTHS; AND

25 (c) FOR RETURNS THAT MUST BE FILED ON OR AFTER JANUARY 1,
26 2026, THE EXECUTIVE DIRECTOR MAY BY RULE INCREASE THE AMOUNT OF
27 MONTHLY TAX COLLECTED SET FORTH IN SUBSECTION (1)(b) OF THIS

1 SECTION.

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