

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

**REVISED**

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

LLS NO. 24-0378.01 Alison Killen x4350

**HOUSE BILL 24-1041**

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**A BILL FOR AN ACT**

101      **CONCERNING THE STREAMLINING OF PROCESSES FOR FILING SALES**  
102                    **AND USE TAX RETURNS, AND, IN CONNECTION THEREWITH,**  
103                    **MAKING AN APPROPRIATION.**

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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.** 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,

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.*

SENATE  
2nd Reading Unamended  
March 15, 2024

HOUSE  
3rd Reading Unamended  
February 20, 2024

HOUSE  
Amended 2nd Reading  
February 16, 2024

2025.

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.

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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

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

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

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

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

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

26 (c) FOR RETURNS THAT MUST BE FILED ON OR AFTER JANUARY 1,  
27 2026, THE EXECUTIVE DIRECTOR MAY BY RULE INCREASE THE AMOUNT OF

1 MONTHLY TAX COLLECTED SET FORTH IN SUBSECTION (1)(b) OF THIS  
2 SECTION.

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4 **SECTION 3. Appropriation.** (1) For the 2024-25 state fiscal  
5 year, \$17,200 is appropriated to the department of revenue. This  
6 appropriation is from the general fund. To implement this act, the  
7 department may use this appropriation as follows:

8 (a) \$9,625 for personal services related to administration and  
9 support;

10 (b) \$4,416 for personal services related to taxation services;

11 (c) \$2,000 for operating expenses related to taxation services; and

12 (d) \$1,159 for tax administration IT system (GenTax) support.

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