

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

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 24-0380.01 Megan McCall x4215

**HOUSE BILL 24-1050**

---

**HOUSE SPONSORSHIP**

**Taggart and Kipp**, Amabile, Bird, Frizell, Joseph, McCluskie, Snyder, Story, Valdez,  
Woodrow

**SENATE SPONSORSHIP**

**Bridges and Van Winkle**,

---

**House Committees**

Finance  
Appropriations

**Senate Committees**

---

**A BILL FOR AN ACT**

101       **CONCERNING THE SIMPLIFICATION OF PROCESSES RELATED TO TAXES**  
102               **IMPOSED BY LOCAL GOVERNMENTS, AND, IN CONNECTION**  
103               **THEREWITH, REQUIRING LOCAL TAXING JURISDICTIONS TO**  
104               **REPORT TO THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF**  
105               **REVENUE INFORMATION ON LOCAL LODGING TAX AND BUILDING**  
106               **PERMIT-RELATED SALES OR USE TAX INFORMATION, REQUIRING**  
107               **THE EXECUTIVE DIRECTOR TO PUBLISH THAT INFORMATION,**  
108               **MODIFYING THE SCOPE OF THE SALES AND USE TAX**  
109               **SIMPLIFICATION TASK FORCE TO INCLUDE SIMPLIFICATION OF**  
110               **LOCAL LODGING TAX, ■■■ REQUIRING THE SALES AND USE TAX**  
111               **SIMPLIFICATION TASK FORCE TO RECEIVE INFORMATION**  
112               **RELATED TO THE FEASIBILITY AND IMPLEMENTATION OF AN**  
113               **ELECTRONIC PORTAL FOR THE COLLECTION AND REMITTANCE**

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.*

HOUSE  
3rd Reading Unamended  
April 24, 2024

HOUSE  
Amended 2nd Reading  
April 23, 2024

### 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. Section 1** of the bill requires local taxing jurisdictions that impose a local lodging tax or a sales or use tax on building or construction materials that integrate such taxes into building permits (applicable sales or use tax) to file with the executive director of the department of revenue (executive director) a copy of the resolution or ordinance, and any amendments thereto, imposing such taxes and, if not included in the resolution, ordinance, or amendments, certain additional information related to each type of tax. For local lodging taxes, the bill requires local taxing jurisdictions to report the rate and calculation of the tax. For the applicable sales or use tax, the bill requires local taxation jurisdictions to report the rate and calculation, what information is included on building permits, the timing for remittance of the tax, and whether the tax is imposed on asphalt equipment, storage of equipment, or services.

By not later than July 1, 2025, and by not later than January 1 and July 1 of each year thereafter, the executive director must publish the information in the local taxing jurisdiction's reports relating to the local lodging tax and applicable sales or use tax.

**Sections 2, 3, and 4** modify the scope of the sales and use tax simplification task force (task force) to include simplification of local lodging tax systems and require that in the 2024 interim, the task force receive testimony and proposals related to the feasibility and implementation of an electronic system for the collection and remittance of local lodging taxes in the same manner or in a manner similar to the electronic sales and use tax simplification system. The task force may propose legislation for the 2025 legislative session to implement or create such an electronic portal. The department of revenue is required to issue a request for information for an electronic system for the collection and remittance of local lodging taxes and present the information received to the task force by not later than September 1, 2024.

---

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

1           **SECTION 1.** In Colorado Revised Statutes, 39-21-112, **add** (11)  
2 as follows:

3           **39-21-112. Duties and powers of executive director - reporting**  
4 **of information related to local lodging tax and sales or use tax on**  
5 **building or construction materials - definitions - repeal.** (11) (a) As  
6 USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7           (I) "APPLICABLE SALES OR USE TAX" MEANS A SALES OR USE TAX  
8 ON BUILDING OR CONSTRUCTION MATERIALS IMPOSED BY A LOCAL TAXING  
9 JURISDICTION.

10           (II) "BUILDING PERMIT-RELATED APPLICABLE SALES OR USE TAX  
11 INFORMATION" MEANS THE FOLLOWING INFORMATION:

12           (A) THE TAX RATE OF ALL APPLICABLE SALES OR USE TAXES,  
13 INCLUDING APPLICABLE SALES OR USE TAXES IMPOSED ON THE ITEMS  
14 IDENTIFIED IN SUBSECTION (11)(a)(II)(E) OF THIS SECTION;

15           (B) THE TIMING OF WHEN THE APPLICABLE SALES OR USE TAX  
16 MUST BE PAID TO THE LOCAL TAXING JURISDICTION AND IF THE LOCAL  
17 TAXING JURISDICTION REQUIRES PRE-PAYMENT OF THE APPLICABLE SALES  
18 OR USE TAX, THE PERCENTAGE BASIS FOR THE PRE-PAID AMOUNT  
19 REQUIRED;

20           (C) ANY EXEMPTIONS ON PURCHASES SUBJECT TO THE APPLICABLE  
21 SALES OR USE TAX;

22           (D) WHETHER THE LOCAL TAXING JURISDICTION INCLUDES THE  
23 APPLICABLE SALES OR USE TAX DUE ON A BUILDING PERMIT AND WHETHER  
24 ANY OTHER INFORMATION IS INCLUDED ON BUILDING PERMITS; AND

25           (E) WHETHER THE LOCAL TAXING JURISDICTION IMPOSES A SALES  
26 OR USE TAX ON CONSTRUCTION EQUIPMENT BROUGHT INTO THE LOCAL  
27 TAXING JURISDICTION, ON STORAGE OF EQUIPMENT WITHIN THE LOCAL

1 TAXING JURISDICTION, OR ON SERVICES.

2 (III) "CONSTRUCTION EQUIPMENT" MEANS ANY EQUIPMENT,  
3 INCLUDING MOBILE MACHINERY AND MOBILE EQUIPMENT, WHICH IS USED  
4 TO ERECT, INSTALL, ALTER, DEMOLISH, REPAIR, REMODEL, OR OTHERWISE  
5 MAKE IMPROVEMENTS TO ANY REAL PROPERTY, BUILDING, STRUCTURE OR  
6 INFRASTRUCTURE.

7 (IV) "LOCAL LODGING TAX" HAS THE SAME MEANING AS SET  
8 FORTH IN SECTION 39-26-802 (1)(a.5)(II).

9 (V) "LOCAL LODGING TAX INFORMATION" MEANS THE FOLLOWING  
10 INFORMATION FOR ALL LOCAL LODGING TAX IMPOSED BY THE LOCAL  
11 TAXING JURISDICTION:

12 (A) THE TAX RATE;

13 (B) THE TYPES OF LODGING THAT THE LOCAL LODGING TAX  
14 APPLIES TO, INCLUDING ANY CONDITIONS GOVERNING THE APPLICATION OF  
15 THE LOCAL LODGING TAX BY LODGING TYPE, SUCH AS, MINIMUM NUMBER  
16 OF ROOMS IN A PROPERTY OR USE OF ACCOMMODATIONS;

17 (C) THE NUMBER OF DAYS AFTER WHICH A STAY IS EXEMPT, WHICH  
18 MAY BE REFERRED TO AS A LENGTH OF STAY EXEMPTION; AND

19 (D) THE AMOUNT OF THE LOCAL LODGING TAX THAT IS PERMITTED  
20 TO BE RETAINED BY THE PARTY RESPONSIBLE FOR COLLECTION OF THE  
21 LOCAL LODGING TAX IN EXCHANGE FOR TIMELY FILING, WHICH MAY BE  
22 REFERRED TO AS A VENDOR FEE, SERVICE FEE, OR TIMELY FILING  
23 DISCOUNT.

24 (VI) "LOCAL TAXING JURISDICTION" MEANS A COUNTY, HOME  
25 RULE COUNTY, STATUTORY TOWN OR CITY, HOME RULE TOWN OR CITY,  
26 CITY AND COUNTY, OR TERRITORIAL CHARTER TOWN OR CITY THAT  
27 IMPOSES A LOCAL LODGING TAX OR IMPOSES AN APPLICABLE SALES OR USE

1 TAX.

2 (b) BY NOT LATER THAN JULY 1, 2025, AND BY NOT LATER THAN  
3 JANUARY 1 AND JULY 1 OF EACH YEAR THEREAFTER, THE EXECUTIVE  
4 DIRECTOR SHALL, IN A FORM AND IN A MANNER PRESCRIBED BY THE  
5 DEPARTMENT, PUBLISH LOCAL LODGING TAX INFORMATION AND BUILDING  
6 PERMIT-RELATED APPLICABLE SALES OR USE TAX INFORMATION.

7 (c) (I) FOR THE PURPOSE OF ADMINISTRATION BY THE EXECUTIVE  
8 DIRECTOR OF THE PROVISIONS IN THIS SUBSECTION (11), EACH LOCAL  
9 TAXING JURISDICTION SHALL FILE WITH THE EXECUTIVE DIRECTOR A COPY  
10 OF EACH ORDINANCE OR RESOLUTION, OR ANY AMENDMENT THERETO,  
11 THAT IMPOSES AN APPLICABLE SALES OR USE TAX OR LOCAL LODGING TAX  
12 NO LATER THAN FORTY-FIVE DAYS BEFORE THE EFFECTIVE DATE OF THE  
13 ORDINANCE OR RESOLUTION, OR ANY AMENDMENT THERETO. IF A LOCAL  
14 TAXING JURISDICTION'S ORDINANCE OR RESOLUTION DOES NOT CONTAIN  
15 BUILDING PERMIT-RELATED APPLICABLE SALES OR USE TAX INFORMATION  
16 OR LOCAL LODGING TAX INFORMATION, THE LOCAL TAXING JURISDICTION  
17 SHALL FILE WITH THE EXECUTIVE DIRECTOR DOCUMENTATION CONTAINING  
18 SUCH INFORMATION AS SET FORTH IN SUBSECTIONS (11)(a)(II) AND  
19 (11)(a)(V) OF THIS SECTION.

20 (II) (A) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION  
21 (11)(c)(I) OF THIS SECTION, LOCAL TAXING JURISDICTIONS SHALL FILE  
22 WITH THE EXECUTIVE DIRECTOR A COPY OF EACH ORDINANCE OR  
23 RESOLUTION, OR ANY AMENDMENT THERETO, THAT IMPOSES AN  
24 APPLICABLE SALES OR USE TAX OR LOCAL LODGING TAX ON OR BEFORE  
25 JUNE 15, 2025. IF A LOCAL TAXING JURISDICTION'S ORDINANCE OR  
26 RESOLUTION DOES NOT CONTAIN BUILDING PERMIT-RELATED APPLICABLE  
27 SALES OR USE TAX INFORMATION OR LOCAL LODGING TAX INFORMATION,

1 THE LOCAL TAXING JURISDICTION SHALL FILE WITH THE EXECUTIVE  
2 DIRECTOR DOCUMENTATION CONTAINING SUCH INFORMATION AS SET  
3 FORTH IN SUBSECTIONS (11)(a)(II) AND (11)(a)(V) OF THIS SECTION.

4 (B) THIS SUBSECTION (11)(c)(II) IS REPEALED, EFFECTIVE  
5 JANUARY 1, 2027.

6 **SECTION 2.** In Colorado Revised Statutes, 39-26-801, **amend**  
7 (1)(b); and **add** (1)(a.5) as follows:

8 **39-26-801. Legislative declaration.** (1) The general assembly  
9 hereby finds and declares that:

10 (a.5) COLORADO HAS A UNIQUE AND COMPLEX LOCAL LODGING  
11 TAX SYSTEM;

12 (b) Home rule jurisdictions have exercised their constitutional  
13 authority to establish their own sales and use tax systems, including their  
14 own licensing requirements, rates, taxable and nontaxable items, and  
15 definitions, AND TO ESTABLISH THEIR OWN LOCAL LODGING TAX SYSTEMS;

16 **SECTION 3.** In Colorado Revised Statutes, 39-26-802, **amend**  
17 (1)(a)(I), (1)(b)(I), (1)(b)(II)(I), (1)(b)(II)(J), and (1)(b)(III)(D); and **add**  
18 (1)(a.5), (1)(b)(II)(K), (1)(b)(II)(L), and (1)(c) as follows:

19 **39-26-802. Sales and use tax simplification task force -**  
20 **creation - definitions - repeal.** (1) (a) (I) Notwithstanding section  
21 2-3-303.3, there is created the sales and use tax simplification task force,  
22 referred to in this part 8 as the "task force". The task force shall meet as  
23 necessary during any legislative session or any interim between legislative  
24 sessions to study the necessary components of a simplified sales and use  
25 tax system AND A SIMPLIFIED LOCAL LODGING TAX SYSTEM for both the  
26 state and local governments, including home rule municipalities and  
27 counties.

1 (a.5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
2 REQUIRES:

3 [REDACTED]  
4 (I) "ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM"  
5 MEANS THE ELECTRONIC SYSTEM DESCRIBED IN SECTION 39-26-802.7 FOR  
6 THE COLLECTION AND REMITTANCE OF SALES AND USE TAXES.

7 (II) "LOCAL LODGING TAX" MEANS:

8 (A) A TAX IMPOSED BY A LOCAL MARKETING DISTRICT PURSUANT  
9 TO SECTION 29-25-112 (1)(a) OR BY A COUNTY PURSUANT TO SECTION  
10 30-11-107.5; AND

11 (B) ANY OTHER TAX OR FEE THAT IS IMPOSED UPON THE  
12 TRANSACTION OF FURNISHING ROOMS OR ACCOMMODATIONS IN EXCHANGE  
13 FOR CONSIDERATION AND THAT IS NOT A TAX SPECIFIED IN SUBSECTION  
14 (1)(a.5)(II)(A) OF THIS SECTION WHETHER IMPOSED UPON THE LESSOR OR  
15 THE LESSEE.

16 (b) (I) The task force shall study BOTH sales and use tax  
17 simplification between the state and local governments, including home  
18 rule municipalities, AND LOCAL LODGING TAX SIMPLIFICATION to identify  
19 opportunities and challenges within existing fiscal frameworks to adopt  
20 "feasible solutions", which are solutions that are practical,  
21 revenue-neutral, and do not require constitutional amendments or voter  
22 approval.

23 (II) The task force shall consider whether there are feasible  
24 solutions for:

25 (I) Simplifying the process to claim and administer the various  
26 state sales and use tax exemptions; and

27 (J) Simplifying the sales tax collection and remittance

1 requirements for nonprofit organizations;

2 (K) SIMPLIFYING LOCAL LODGING TAXES LEVIED BY LOCAL  
3 GOVERNMENTS, INCLUDING HOME RULE MUNICIPALITIES; AND

4 (L) ADDING THE ACCEPTANCE OF RETURNS AND PROCESSING  
5 PAYMENT OF ANY LOCAL LODGING TAX TO THE ELECTRONIC SALES AND  
6 USE TAX SIMPLIFICATION SYSTEM OR, ALTERNATIVELY, CREATING AN  
7 ELECTRONIC LOCAL LODGING TAX SYSTEM THAT IS A ONE-STOP PORTAL  
8 DESIGNED TO FACILITATE THE COLLECTION AND REMITTANCE OF LOCAL  
9 LODGING TAXES IN THE SAME MANNER IN WHICH THE ELECTRONIC SALES  
10 AND USE TAX SIMPLIFICATION SYSTEM FACILITATES THE COLLECTION AND  
11 REMITTANCE OF LOCAL SALES AND USE TAXES.

12 (III) The task force shall:

13 (D) Review the way in which special districts and specially  
14 assessed sales taxes add to the complexity of the state's sales and use tax  
15 structure, including, at minimum, the regional transportation district, the  
16 scientific and cultural facilities district, any local improvement districts,  
17 any regional transportation authority, any multi-jurisdictional housing  
18 authority, and any health services district, and any mass transportation  
19 system tax, public safety improvement tax, metropolitan district tax, ~~local~~  
20 ~~marketing district tax, and county lodging district tax~~ AND LOCAL  
21 LODGING TAX;

22 (c) (I) IN THE 2024 INTERIM, THE TASK FORCE:

23

24 (A) SHALL RECEIVE TESTIMONY AT EACH MEETING FROM  
25 INDUSTRY STAKEHOLDERS REGARDING THE STATUS OF CONVERSATIONS  
26 AND THE FEASIBILITY FOR THE ELECTRONIC COLLECTION AND REMITTANCE  
27 OF LOCAL LODGING TAXES DESCRIBED IN SUBSECTION (1)(b)(II)(L) OF THIS



1 SECTION; AND

2 (B) MAY RECOMMEND LEGISLATION TO BE CONSIDERED DURING  
3 THE FIRST REGULAR SESSION OF THE SEVENTY-FIFTH GENERAL ASSEMBLY  
4 TO IMPLEMENT OR CREATE AN ELECTRONIC SYSTEM FOR COLLECTION AND  
5 REMITTANCE OF LOCAL LODGING TAXES DESCRIBED IN SUBSECTION  
6 (1)(b)(II)(L) OF THIS SECTION.

7 (II) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE JULY 1, 2026.

8

9 **SECTION 4. Appropriation.** (1) For the 2024-25 state fiscal  
10 year, \$129,665 is appropriated to the department of revenue for use by the  
11 taxation business group. This appropriation is from the general fund. To  
12 implement this act, the division may use this appropriation as follows:

13 (a) \$114,021 for personal services related to taxation services,  
14 which amount is based on an assumption that the division will require an  
15 additional 1.8 FTE; and

16 (b) \$15,644 for operating expenses related to taxation services.

17 **SECTION 5. Safety clause.** The general assembly finds,  
18 determines, and declares that this act is necessary for the immediate  
19 preservation of the public peace, health, or safety or for appropriations for  
20 the support and maintenance of the departments of the state and state  
21 institutions.