

Second Extraordinary Session
Seventy-fourth General Assembly
STATE OF COLORADO

BILLPAPER

LLS NO. 24B-0017.01 Nicole Myers x4326

HOUSE BILL

HOUSE SPONSORSHIP

Luck,

SENATE SPONSORSHIP

Baisley,

House Committees

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE TAX CODE LEGISLATIVE TASK**
102 **FORCE.**

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 creates the tax code legislative task force (task force). The task force consists of both members of the general assembly and individuals who are not members of the general assembly. The purpose of the task force is to make recommendations to restructure the tax burden on the citizens of the state to foster economic growth and to design a new tax code that eliminates all taxes and fees in the state other than the sales

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.

and use tax. The task force is required to:

- Convene no later than June 2, 2025;
- Meet at least once every 3 months or more often as directed by the chair of the task force;
- Make findings and determinations regarding specified aspects of state and local government taxes and revenue; and
- Submit a report with its findings and recommendations to the general assembly within one year of its first meeting.

The task force is repealed on June 30, 2027.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 24 to article
3 2 of title 2 as follows:

4 PART 24

5 TAX CODE LEGISLATIVE TASK FORCE

6 **2-2-2401. Definitions.** AS USED IN THIS PART 24, UNLESS THE
7 CONTEXT OTHERWISE REQUIRES:

8 (1) "LOCAL GOVERNMENT" MEANS A COUNTY, CITY AND COUNTY,
9 CITY, MUNICIPALITY, TOWN, SCHOOL DISTRICT, LOCAL COLLEGE DISTRICT,
10 LOCAL IMPROVEMENT AND SERVICE DISTRICT, SPECIAL DISTRICT, OR ANY
11 OTHER INDEPENDENT LOCAL ENTITY HAVING THE AUTHORITY UNDER THE
12 GENERAL LAWS OF THE STATE TO LEVY TAXES OR IMPOSE FEES OR
13 ASSESSMENTS.

14 (2) "TASK FORCE" MEANS THE TAX CODE LEGISLATIVE TASK FORCE
15 CREATED IN SECTION 2-2-2402 (1).

16 **2-2-2402. Tax code legislative task force - creation - powers
17 and duties - report.** (1) NOTWITHSTANDING SECTION 2-3-303.3, THE TAX
18 CODE LEGISLATIVE TASK FORCE IS CREATED IN THE LEGISLATIVE
19 DEPARTMENT. THE TASK FORCE SHALL MEET AS NECESSARY STARTING IN
20 2025 THROUGH THE DATE THE TASK FORCE ISSUES ITS REPORT PURSUANT

1 TO SUBSECTION (6) OF THIS SECTION TO STUDY AND MAKE
2 RECOMMENDATIONS ON HOW TO RESTRUCTURE THE TAX AND FEE BURDEN
3 ON THE CITIZENS OF THE STATE TO FOSTER ECONOMIC GROWTH AND TO
4 DESIGN A NEW STRUCTURE FOR FUNDING THE STATE AND LOCAL
5 GOVERNMENTS THAT ELIMINATES ALL TAXES AND FEES IN THE STATE
6 OTHER THAN THE SALES AND USE TAX.

7 (2) THE TASK FORCE CONSISTS OF THE FOLLOWING ELEVEN VOTING
8 MEMBERS:

9 (a) THE DIRECTOR OF THE DEPARTMENT OF REVENUE OR THE
10 DIRECTOR'S DESIGNEE;

11 (b) ONE COUNTY ASSESSOR, APPOINTED BY THE COLORADO
12 ASSESSORS' ASSOCIATION;

13 (c) ONE STATE REPRESENTATIVE, APPOINTED BY THE SPEAKER OF
14 THE HOUSE OF REPRESENTATIVES;

15 (d) ONE STATE SENATOR, APPOINTED BY THE MINORITY LEADER OF
16 THE SENATE;

17 (e) ONE PERSON WHO IS AN ECONOMIST, APPOINTED BY THE
18 MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES;

19 (f) ONE PERSON WHO IS A HOMEOWNER IN THE STATE, APPOINTED
20 BY THE PRESIDENT OF THE SENATE;

21 (g) ONE CERTIFIED PUBLIC ACCOUNTANT, APPOINTED BY A
22 STATEWIDE ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS;

23 (h) ONE LAWYER WITH EXPERTISE IN TAX, APPOINTED BY THE TAX
24 LAW SECTION OF THE COLORADO BAR ASSOCIATION;

25 (i) ONE PERSON WHO REPRESENTS AN ORGANIZATION IN
26 COLORADO THAT SUPPORTS SECTION 20 OF ARTICLE X OF THE STATE
27 CONSTITUTION, APPOINTED BY THE LEGISLATOR WHO IS THE RANKING

1 MEMBER OF THE FINANCE COMMITTEE OF THE SENATE;

2 (j) ONE PERSON WHO REPRESENTS AN ORGANIZATION IN
3 COLORADO THAT DOES NOT SUPPORT SECTION 20 OF ARTICLE X OF THE
4 STATE CONSTITUTION, APPOINTED BY THE LEGISLATOR WHO IS THE CHAIR
5 OF THE FINANCE COMMITTEE OF THE SENATE; AND

6 (k) ONE PERSON WHO REPRESENTS A CHAMBER OF COMMERCE,
7 APPOINTED BY THE COLORADO CHAMBER OF COMMERCE.

8 (3) (a) ALL APPOINTMENTS DESCRIBED IN SUBSECTION (2) OF THIS
9 SECTION MUST BE MADE NO LATER THAN MARCH 31, 2025. MEMBERS OF
10 THE TASK FORCE SERVE AT THE PLEASURE OF THE APPLICABLE APPOINTING
11 AUTHORITY OR UNTIL THE MEMBER NO LONGER SERVES IN THE POSITION
12 FOR WHICH THAT MEMBER WAS APPOINTED TO THE TASK FORCE, AT WHICH
13 TIME A VACANCY IS DEEMED TO EXIST ON THE TASK FORCE. IF A VACANCY
14 ARISES ON THE TASK FORCE, THE APPROPRIATE APPOINTING AUTHORITY
15 SHALL APPOINT A REPLACEMENT MEMBER WHO SATISFIES THE
16 REQUIREMENTS SPECIFIED IN SUBSECTION (2) OF THIS SECTION FOR THE
17 VACANT POSITION.

18 (b) THE TASK FORCE SHALL ELECT A CHAIR AND A VICE-CHAIR AT
19 THE FIRST MEETING OF THE TASK FORCE.

20 (4) THE TASK FORCE SHALL HOLD ITS FIRST MEETING NO LATER
21 THAN JUNE 2, 2025, AND THEREAFTER, THE TASK FORCE SHALL MEET AT
22 LEAST ONCE EVERY THREE MONTHS OR MORE OFTEN AS DIRECTED BY THE
23 CHAIR. TASK FORCE MEETINGS MUST BE OPEN TO THE PUBLIC, AND THE
24 TASK FORCE SHALL SOLICIT TESTIMONY FROM THE PUBLIC.

25 (5) (a) THE MEMBERS OF THE TASK FORCE APPOINTED PURSUANT
26 TO SUBSECTIONS (2)(c) AND (2)(d) OF THIS SECTION ARE ENTITLED TO
27 RECEIVE COMPENSATION AND REIMBURSEMENT OF EXPENSES AS PROVIDED

1 IN SECTION 2-2-326. ALL OTHER MEMBERS OF THE TASK FORCE ARE NOT
2 ENTITLED TO RECEIVE COMPENSATION BUT ARE ENTITLED TO
3 REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES AS DETERMINED
4 BY THE CHAIR OF THE TASK FORCE.

5 (b) THE LEGISLATIVE COUNCIL STAFF, THE OFFICE OF LEGISLATIVE
6 LEGAL SERVICES, AND THE STAFF OF THE JOINT BUDGET COMMITTEE SHALL
7 BE AVAILABLE TO ASSIST THE TASK FORCE IN CARRYING OUT ITS DUTIES.

8 (6) (a) NO LATER THAN ONE YEAR AFTER THE FIRST MEETING OF
9 THE TASK FORCE, THE TASK FORCE SHALL SUBMIT AND PRESENT A REPORT
10 TO THE FINANCE COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND
11 SENATE, OR ANY SUCCESSOR COMMITTEES. IF THE GENERAL ASSEMBLY IS
12 NOT CONVENED IN SESSION AT THE TIME THAT THE TASK FORCE SUBMITS
13 THE REPORT, THE TASK FORCE SHALL PRESENT THE REPORT TO SUCH
14 COMMITTEES AS EARLY AS POSSIBLE DURING THE NEXT REGULAR SESSION
15 OF THE GENERAL ASSEMBLY THAT CONVENES AFTER THE TASK FORCE
16 SUBMITS ITS REPORT.

17 (b) THE REPORT MUST MAKE FINDINGS AND RECOMMENDATIONS
18 FOR LEGISLATION REGARDING THE AREAS THAT THE TASK FORCE IS
19 REQUIRED TO INVESTIGATE PURSUANT TO SUBSECTION (7) OF THIS SECTION
20 AND MUST INCLUDE DATA AND SUPPORTING FACTS FOR ANY
21 RECOMMENDATION. ANY RECOMMENDATIONS FOR LEGISLATION MUST BE
22 LIMITED TO THE NECESSARY CHANGES TO THE STATE'S TAX LAWS AND TO
23 THE LAWS THAT SET OR AUTHORIZE FEES AND HOW TO IMPLEMENT THOSE
24 CHANGES AS DETERMINED BY THE TASK FORCE; EXCEPT THAT THE TASK
25 FORCE MAY ALSO INCLUDE RECOMMENDATIONS REGARDING CHANGES
26 THAT LOCAL GOVERNMENTS WOULD BE REQUIRED TO IMPLEMENT AS A
27 RESULT OF ANY NECESSARY CHANGES TO THE STATE'S TAX LAWS AND TO

1 THE LAWS THAT SET OR AUTHORIZE FEES. THE TASK FORCE SHALL NOT
2 INCLUDE RECOMMENDATIONS IN THE REPORT REGARDING WHETHER THE
3 GENERAL ASSEMBLY SHOULD IMPLEMENT ANY CHANGES TO THE STATE'S
4 TAX LAWS.

5 (7) THE TASK FORCE IS REQUIRED TO:

6 (a) COMPILE EVERY SOURCE OF REVENUE FOR THE STATE AND FOR
7 ALL LOCAL GOVERNMENTS IN THE STATE;

8 (b) COMPILE THE TOTAL ANNUAL OR FISCAL YEAR REVENUE, AS
9 APPLICABLE, FOR THE STATE AND FOR ALL LOCAL GOVERNMENTS IN THE
10 STATE FOR THE 2024 CALENDAR YEAR OR THE 2023-24 FISCAL YEAR, AS
11 APPLICABLE, AND FOR ONE ADDITIONAL CALENDAR YEAR OR FISCAL YEAR
12 BETWEEN 2019 AND 2023;

13 (c) DETERMINE THE SALES AND USE TAX RATE THAT WOULD BE
14 REQUIRED FOR THE STATE AND EACH LOCAL GOVERNMENT IN THE STATE
15 TO MAINTAIN ITS CURRENT LEVEL OF ANNUAL REVENUE IF ALL REVENUE
16 SOURCES, OTHER THAN A SALES AND USE TAX, WERE ELIMINATED FOR THE
17 STATE OR THE LOCAL GOVERNMENT. THE SOURCES OF REVENUE TO BE
18 ELIMINATED INCLUDE REVENUE FROM PROPERTY TAX, INCOME TAX, GAS
19 TAX, EXCISE TAX, SEVERANCE TAX, ALL FEES IMPOSED BY STATE AND
20 LOCAL GOVERNMENTS, AND ANY OTHER SOURCE OF REVENUE THAT IS NOT
21 FROM A SALES OR USE TAX.

22 (d) DETERMINE HOW TO MAKE THE SALES AND USE TAX
23 APPLICABLE ONLY FOR THE FIRST SALE OR USE OF AN ITEM AND NOT FOR
24 ANY SUBSEQUENT SALES OR USES OF THE ITEM;

25 (e) DETERMINE HOW TO MAKE THE SALES AND USE TAX
26 INAPPLICABLE FOR THE SALE OR USE OF MATERIALS, INGREDIENTS, OR
27 COMPONENT PARTS THAT WILL BE USED TO PRODUCE, MANUFACTURE, OR

1 CREATE A FINAL PRODUCT OR GOOD ON WHICH THE SALES AND USE TAX
2 WILL BE IMPOSED;

3 (f) DETERMINE HOW TO FAIRLY APPORTION SALES AND USE TAX
4 REVENUES ACROSS THE STATE;

5 (g) PROVIDE OPTIONS FOR HOW TO MAKE THE SALES AND USE TAX
6 PROGRESSIVE; AND

7 (h) PROVIDE OPTIONS FOR HOW TO MAKE THE SALES AND USE TAX
8 FLAT.

9 **2-2-2403. Repeal of part.** THIS PART 24 IS REPEALED, EFFECTIVE
10 JUNE 30, 2027.

11 **SECTION 2. Act subject to petition - effective date.** This act
12 takes effect at 12:01 a.m. on the day following the expiration of the
13 ninety-day period after final adjournment of the general assembly; except
14 that, if a referendum petition is filed pursuant to section 1 (3) of article V
15 of the state constitution against this act or an item, section, or part of this
16 act within such period, then the act, item, section, or part will not take
17 effect unless approved by the people at the general election to be held in
18 November 2026 and, in such case, will take effect on the date of the
19 official declaration of the vote thereon by the governor.