

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

BILL A

LLS NO. 24-0378.01 Alison Killen x4350

HOUSE BILL

---

HOUSE SPONSORSHIP

Kipp and Taggart,

SENATE SPONSORSHIP

Bridges and Van Winkle,

---

House Committees

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) ON AND AFTER JANUARY 1, 2025, A HOME RULE CITY, TOWN,  
13 AND CITY AND COUNTY THAT COLLECTS ITS OWN SALES AND USE TAX AND  
14 DOES NOT USE THE ELECTRONIC SALES AND USE TAX SIMPLIFICATION

1 SYSTEM CREATED IN SECTION 39-26-802.7 SHALL PERMIT TAXPAYERS TO  
2 MAKE RETURNS AND PAY TAXES AS FOLLOWS:

3 (I) TAXPAYERS THAT ANNUALLY COLLECT LESS THAN TWO  
4 THOUSAND DOLLARS IN TAX MUST MAKE RETURNS AND PAY TAXES AT  
5 INTERVALS NOT GREATER THAN ONCE EVERY YEAR;

6 (II) TAXPAYERS THAT ANNUALLY COLLECT AT LEAST TWO  
7 THOUSAND DOLLARS IN TAX BUT NO MORE THAN TWENTY-FIVE THOUSAND  
8 DOLLARS IN TAX MUST MAKE RETURNS AND PAY TAXES AT INTERVALS NOT  
9 GREATER THAN ONCE EVERY THREE MONTHS; AND

10 (III) TAXPAYERS THAT ANNUALLY COLLECT MORE THAN  
11 TWENTY-FIVE THOUSAND DOLLARS IN TAX MUST MAKE RETURNS AND PAY  
12 TAXES AT INTERVALS ON A CALENDAR-MONTH BASIS.

13 **SECTION 2.** In Colorado Revised Statutes, **amend** 39-26-109 as  
14 follows:

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

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

27 (b) FOR RETURNS THAT MUST BE FILED ON AND AFTER JANUARY 1,

1 2025, THE EXECUTIVE DIRECTOR MAY BY RULE PERMIT TAXPAYERS WHOSE  
2 MONTHLY TAX COLLECTED IS LESS THAN SIX HUNDRED DOLLARS TO MAKE  
3 RETURNS AND PAY TAXES AT INTERVALS NOT GREATER THAN EVERY  
4 THREE MONTHS.

5 **SECTION 3.** In Colorado Revised Statutes, 39-26-801, **add** (2)  
6 as follows:

7 **39-26-801. Legislative declaration.** (2) THE GENERAL ASSEMBLY  
8 FURTHER FINDS AND DECLARES THAT:

9 (a) IN 2019, AFTER CAREFUL CONSIDERATION OF THE FINDINGS AND  
10 RECOMMENDATIONS OF THE SALES AND USE TAX SIMPLIFICATION TASK  
11 FORCE, CREATED IN SECTION 39-26-802 (1)(a)(I), THE GENERAL ASSEMBLY  
12 AUTHORIZED THE DEPLOYMENT OF THE ELECTRONIC SALES AND USE TAX  
13 SIMPLIFICATION SYSTEM, COMMONLY KNOWN AS SUTS, PURSUANT TO  
14 SECTION 39-26-802.7;

15 (b) SUTS IS A KEY COMPONENT OF THE SIMPLIFIED SALES AND USE  
16 TAX SYSTEM ENVISIONED BY THE SALES AND USE TAX SIMPLIFICATION  
17 TASK FORCE AND THE GENERAL ASSEMBLY TO BE IMPLEMENTED BY THE  
18 DEPARTMENT OF REVENUE. SUTS IS DESIGNED TO SIMPLIFY AND  
19 STREAMLINE THE ADMINISTRATION, IMPOSITION, AND COLLECTION OF  
20 SALES AND USE TAXES FOR THE STATE, STATE-COLLECTED LOCAL TAXING  
21 JURISDICTIONS, AND HOME RULE, SELF-COLLECTING LOCAL TAXING  
22 JURISDICTIONS, THEREBY INCREASING ADMINISTRATIVE EFFICIENCY,  
23 RETAILER COMPLIANCE, AND TAX REVENUE COLLECTIONS.

24 (c) WHILE THE GENERAL ASSEMBLY DID NOT REQUIRE HOME RULE,  
25 SELF-COLLECTING LOCAL TAXING JURISDICTIONS TO IMMEDIATELY BEGIN  
26 USING SUTS, THE GENERAL ASSEMBLY EXPRESSLY STATED ITS INTENT  
27 THAT ALL HOME RULE LOCAL TAXING JURISDICTIONS WOULD

1 VOLUNTARILY PARTICIPATE IN SUTS NO LATER THAN APRIL 12, 2022;

2 (d) CURRENTLY, SIXTY OF THE SIXTY-EIGHT HOME RULE,  
3 SELF-COLLECTING LOCAL TAXING JURISDICTIONS IN THE STATE USE SUTS.  
4 ONE ADDITIONAL LOCAL TAXING JURISDICTION HAS SIGNED AN  
5 AGREEMENT WITH THE DEPARTMENT OF REVENUE TO BEGIN USING SUTS  
6 IN THE NEAR TERM. HOWEVER, SEVEN HOME RULE MUNICIPALITIES ARE  
7 NOT PARTICIPATING IN SUTS, INCLUDING ASPEN, CASTLE ROCK, CENTRAL  
8 CITY, DELTA, STERLING, TELLURIDE, AND WOODLAND PARK.

9 (e) WITHOUT THE PARTICIPATION OF THESE SEVEN LOCAL TAXING  
10 JURISDICTIONS:

11 (I) THE SIMPLIFICATION GOALS AND CONSEQUENTIAL BENEFITS OF  
12 SUTS CANNOT BE ACHIEVED; AND

13 (II) BUSINESSES OPERATING IN MULTIPLE JURISDICTIONS IN  
14 COLORADO WILL CONTINUE TO BE BURDENED BY THE COMPLEXITY AND  
15 LACK OF UNIFORMITY OF THE STATE AND LOCAL SALES TAX SYSTEM,  
16 RETAILER COMPLIANCE WILL BE COMPROMISED, ADMINISTRATION OF THE  
17 STATE AND LOCAL SALES TAX SYSTEM WILL REMAIN UNNECESSARILY  
18 INEFFICIENT, AND REVENUE COLLECTION WILL NOT BE OPTIMIZED.

19 (f) ADDITIONALLY, FAILURE TO PARTICIPATE IN SUTS WILL  
20 NECESSARILY PRECLUDE THESE SEVEN LOCAL TAXING JURISDICTIONS FROM  
21 PARTICIPATING IN THE STREAMLINED PROCESS FOR LICENSING AND  
22 COLLECTING SALES AND USE TAXES FROM RETAILERS THAT HAVE A STATE  
23 STANDARD RETAIL LICENSE AND EITHER DO NOT HAVE PHYSICAL PRESENCE  
24 IN THE LOCAL TAXING JURISDICTION OR HAVE ONLY INCIDENTAL PHYSICAL  
25 PRESENCE IN THE LOCAL TAXING JURISDICTION AS SET FORTH IN SECTION  
26 39-26-802.9; AND

27 (g) REQUIRING ALL LOCAL TAXING JURISDICTIONS, INCLUDING

1 THOSE GOVERNED BY A HOME RULE CHARTER, TO BEGIN USING SUTS NO  
2 LATER THAN JULY 1, 2025, IS THE NECESSARY NEXT STEP TOWARD THE  
3 EFFECTIVE IMPLEMENTATION OF A SIMPLER, MORE BUSINESS-FRIENDLY,  
4 AND MORE EFFICIENT SALES AND USE TAX SYSTEM IN THE STATE.

5 **SECTION 4.** In Colorado Revised Statutes, 39-26-802.7, **add**  
6 (2)(f) as follows:

7 **39-26-802.7. Electronic sales and use tax simplification system**  
8 **- sourcing method - implementation - legislative intent - definitions.**

9 (2) (f) (I) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE  
10 CONTRARY, ALL LOCAL TAXING JURISDICTIONS GOVERNED BY A HOME  
11 RULE CHARTER SHALL BEGIN USING THE ELECTRONIC SALES AND USE TAX  
12 SIMPLIFICATION SYSTEM NO LATER THAN JULY 1, 2025.

13 (II) FAILURE TO COMPLY WITH THE REQUIREMENT SET FORTH IN  
14 SUBSECTION (2)(f)(I) OF THIS SECTION PRECLUDES A LOCAL TAXING  
15 JURISDICTION FROM PARTICIPATING IN THE STREAMLINED PROCESS FOR  
16 COLLECTING SALES AND USE TAXES FROM RETAILERS THAT HAVE A STATE  
17 STANDARD RETAIL LICENSE AND EITHER DO NOT HAVE PHYSICAL PRESENCE  
18 WITHIN THE LOCAL TAXING JURISDICTION OR HAVE ONLY INCIDENTAL  
19 PHYSICAL PRESENCE WITHIN THE LOCAL TAXING JURISDICTION AS SET  
20 FORTH IN SECTION 39-26-802.9.

21 **SECTION 5. Act subject to petition - effective date.** This act  
22 takes effect at 12:01 a.m. on the day following the expiration of the  
23 ninety-day period after final adjournment of the general assembly; except  
24 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
25 of the state constitution against this act or an item, section, or part of this  
26 act within such period, then the act, item, section, or part will not take

1 effect unless approved by the people at the general election to be held in  
2 November 2024 and, in such case, will take effect on the date of the  
3 official declaration of the vote thereon by the governor.