

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

**BILL B**

LLS NO. 24-0379.01 Alison Killen x4350

**HOUSE BILL**

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**SENATE SPONSORSHIP**

**Van Winkle and Bridges,**

**HOUSE SPONSORSHIP**

**Kipp and Taggart,**

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**House Committees**

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE REQUIREMENT THAT LOCAL TAXING JURISDICTIONS**  
102 **HOLD HARMLESS VENDORS THAT RELY ON ERRONEOUS DATA IN**  
103 **CERTAIN ELECTRONIC SYSTEMS RELATED TO SALES AND USE TAX**  
104 **THAT ARE MANAGED BY THE DEPARTMENT OF REVENUE.**

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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.** The department of revenue owns and maintains a GIS database that is provided to vendors to determine the jurisdictions to which tax is owed and to calculate

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.*

appropriate sales and use tax rates for individual addresses. The bill establishes that any vendor that relies on the information in the GIS database to determine the local taxing jurisdictions to which tax is owed is held harmless in an audit by a local taxing jurisdiction for an underpayment of tax, charge, or fee liability that results solely from an error or omission in the GIS database data.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-26-105.2, **add**  
3 (3.5) as follows:

4 **39-26-105.2. Remittance of tax - GIS - vendor held harmless**  
5 **- requirements of GIS database - rules - definition.** (3.5) (a) THE  
6 GENERAL ASSEMBLY FINDS AND DECLARES THAT:

7 (I) THE TASK FORCE HAS OVERSEEN THE IMPLEMENTATION OF AN  
8 ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM, WHICH IS  
9 COMMONLY KNOWN AS "SUTS" AND INCLUDES THE GIS DATABASE, IN  
10 FURTHERANCE OF THE GENERAL ASSEMBLY'S GOAL TO ADDRESS THE  
11 COMPLEX AND CUMBERSOME NATURE OF COLORADO'S UNIQUE STATE AND  
12 LOCAL SALES TAX SYSTEM, WHICH IS A MATTER OF STATEWIDE CONCERN;

13 (II) SUTS AND THE GIS DATABASE ARE DESIGNED, AMONG OTHER  
14 THINGS, TO ASSIST BUSINESSES OPERATING IN MULTIPLE TAXING  
15 JURISDICTIONS IN COLORADO BY PROVIDING THEM WITH A SINGLE,  
16 RELIABLE SOURCE OF SALES AND USE TAX INFORMATION FOR THE STATE  
17 AND LOCAL TAXING JURISDICTIONS, INCLUDING ANY COUNTY, CITY AND  
18 COUNTY, OR MUNICIPALITY GOVERNED BY A HOME RULE CHARTER;

19 (III) WHILE THE SALES AND USE TAX BASES AND RATES OF THE  
20 STATE AND LOCAL TAXING JURISDICTIONS AND THE JURISDICTIONAL  
21 BOUNDARIES OF SUCH LOCAL TAXING JURISDICTIONS ARE SUBJECT TO  
22 CHANGE OVER TIME, SUTS WAS SPECIFICALLY DESIGNED IN ANTICIPATION

1 OF SUCH CHANGES PURSUANT TO SECTION 39-26-802.5 (1)(c)(IV) AND  
2 (1)(c)(V);

3 (IV) IT IS A MATTER OF STATEWIDE CONCERN TO ENSURE THAT  
4 SUTS, INCLUDING THE GIS DATABASE, CONTINUES TO SERVE AND EVOLVE  
5 AS AN EFFECTIVE SIMPLIFICATION TOOL UPON WHICH BUSINESSES CAN  
6 RELY IN NAVIGATING COLORADO'S UNIQUE AND COMPLEX STATE AND  
7 LOCAL SALES TAX SYSTEM;

8 (V) IMPROVING SUTS IN THIS MANNER WILL DECREASE FILING  
9 COMPLEXITY, MAKE AUDITS OF RETAILERS MORE UNIFORM FOR ALL STATE  
10 AND LOCAL TAXING JURISDICTIONS, HELP STREAMLINE AND REDUCE  
11 ADMINISTRATIVE BURDENS, AND, CONSEQUENTLY, ENCOURAGE MORE  
12 BUSINESSES TO BEGIN OR CONTINUE TO OPERATE ACROSS MULTIPLE  
13 TAXING JURISDICTIONS ACROSS THIS STATE; AND

14 (VI) ANY BUSINESS THAT USES THE DATA COLLECTED IN SUTS,  
15 INCLUSIVE OF DATA COLLECTED IN THE GIS DATABASE, TO DETERMINE  
16 THE LOCAL TAXING JURISDICTIONS TO WHICH TAX IS OWED SHOULD BE  
17 HELD HARMLESS IN AN AUDIT BY THE STATE OR ANY LOCAL TAXING  
18 JURISDICTION, INCLUDING ANY COUNTY, CITY AND COUNTY, OR  
19 MUNICIPALITY GOVERNED BY A HOME RULE CHARTER FOR ANY TAX,  
20 CHARGE, OR FEE LIABILITY TO ANY LOCAL TAXING JURISDICTION THAT  
21 WOULD BE DUE SOLELY AS A RESULT OF AN ERROR OR OMISSION IN THE  
22 SUTS OR GIS DATABASE DATA.

23 (b) AS USED IN THIS SUBSECTION (3.5), UNLESS THE CONTEXT  
24 OTHERWISE REQUIRES:

25 (I) "ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM"  
26 MEANS THE ELECTRONIC SYSTEM DESCRIBED IN SECTION 39-26-802.7 FOR  
27 THE COLLECTION AND REMITTANCE OF SALES AND USE TAXES.

1           (II) "LOCAL TAXING JURISDICTION" MEANS A CITY, TOWN,  
2 MUNICIPALITY, COUNTY, SPECIAL DISTRICT, OR AUTHORITY AUTHORIZED  
3 TO LEVY A SALES OR USE TAX PURSUANT TO TITLE 24, 25, 29, 30, 31, 32,  
4 37, 42, OR 43, AND ANY COUNTY, CITY AND COUNTY, OR MUNICIPALITY  
5 GOVERNED BY A HOME RULE CHARTER THAT USES THE ELECTRONIC SALES  
6 AND USE TAX SIMPLIFICATION SYSTEM.

7           (c) ANY VENDOR THAT USES THE DATA CONTAINED IN THE GIS  
8 DATABASE TO DETERMINE THE LOCAL TAXING JURISDICTIONS TO WHICH  
9 TAX IS OWED AND THE AMOUNT OF SUCH TAX IS HELD HARMLESS IN AN  
10 AUDIT BY ANY LOCAL TAXING JURISDICTION FOR ANY TAX, CHARGE, OR  
11 FEE LIABILITY TO THE LOCAL TAXING JURISDICTION THAT OTHERWISE  
12 WOULD BE DUE SOLELY AS A RESULT OF AN ERROR OR OMISSION IN THE  
13 GIS DATABASE DATA.

14           **SECTION 2. Applicability.** This act applies to audits  
15 commenced by local taxing jurisdictions, directly or by contractors, on or  
16 after the effective date of this act.

17           **SECTION 3. 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.