

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT
10.10.19

BILL 5

LLS NO. 20-0228.01 Pierce Lively x2059

INTERIM COMMITTEE BILL

Tax Expenditure Evaluation Interim Study Committee

BILL TOPIC: "Sacramental Wines Excise Tax"

A BILL FOR AN ACT

101 **CONCERNING THE REPEAL OF THE EXCISE TAX EXEMPTION FOR**
102 **SACRAMENTAL WINES.**

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/>.)

Tax Expenditure Evaluation Interim Study Committee. Under current law, the excise tax exemption for sacramental wines states that sacramental wine sold and used for religious purposes is exempt from the liquor excise tax. The bill repeals this excise tax exemption.

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) The sacramental wine excise tax exemption excludes
5 sacramental wine from the liquor excise tax and distributors and
6 manufacturers are not required to apply the excise tax to the sale of
7 sacramental wine used for religious purposes.

8 (b) Due to the narrow scope of the excise tax exemption for
9 sacramental wines, it is claimed by a small number of taxpayers for a total
10 amount of only \$2,600.

11 (c) The tax expenditure's narrow scope also prevents it from
12 applying to some religions and there is no corresponding excise tax
13 exemption for religious organizations that use other goods with excise
14 taxes for religious ceremonies.

15 (2) Therefore, it is the intent of the general assembly to simplify
16 the collection and administration of taxes for the state of Colorado and to
17 relieve taxpayers' confusion and vendors' administrative burdens by
18 repealing tax expenditures that are rarely claimed and that are only
19 available for one religion.

20 **SECTION 2.** In Colorado Revised Statutes, 44-3-106, **amend** (1)
21 as follows:

22 **44-3-106. Exemptions.** (1) The provisions of this article 3, WITH
23 THE EXCEPTION OF THE REQUIREMENTS OF SECTION 44-3-503, shall not
24 apply to the sale or distribution of sacramental wines sold and used for
25 religious purposes.

26 **SECTION 3. Act subject to petition - effective date -**
27 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following

1 the expiration of the ninety-day period after final adjournment of the
2 general assembly (August 5, 2020, if adjournment sine die is on May 6,
3 2020); except that, if a referendum petition is filed pursuant to section 1
4 (3) of article V of the state constitution against this act or an item, section,
5 or part of this act within such period, then the act, item, section, or part
6 will not take effect unless approved by the people at the general election
7 to be held in November 2020 and, in such case, will take effect on the
8 date of the official declaration of the vote thereon by the governor.

9 (2) This act applies to excise taxes levied on or after January 1,
10 2021.