

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

BILL B

LLS NO. 20-0234.01 Pierce Lively x2059

HOUSE BILL

HOUSE SPONSORSHIP

Snyder and Benavidez,

SENATE SPONSORSHIP

Moreno and Court,

House Committees

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE REPEAL OF THE STATE SALES TAX EXEMPTION FOR**
102 **LONG-TERM LODGING.**

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 sales tax exemption for long-term lodging exempts stays of 30 days or more at hotels, apartment hotels, lodging houses, motor hotels, guesthouses, guest ranches, trailer coaches, mobile homes, auto camps, or trailer courts and parks from the state sales tax on lodgings. The bill limits this exemption so it only applies to natural persons.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
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 sales tax exemption for long-term lodging exempts stays
5 of thirty days or more at hotels, apartment hotels, lodging houses, motor
6 hotels, guesthouses, guest ranches, trailer coaches, mobile homes, auto
7 camps, or trailer courts and parks from the state sales tax on lodgings.

8 (b) This sales tax exemption has remained largely unchanged
9 since it was enacted in 1959.

10 (c) The exemption does not state whether it can be claimed in the
11 case where the lodgings are paid for by the same payer for at least 30
12 days, but multiple persons stay in the lodging during that period of time
13 and none of those persons stay for longer than 30 days. The department
14 of revenue has allowed the exemption to be claimed in this circumstance.
15 However, this application of the long-term lodging exemption expands
16 the use of the exemption beyond its presumed original purpose of
17 providing equal tax treatment for persons who enter into residential leases
18 of 30 days or more and persons who stay for more than 30 days in
19 lodgings that are typically used for short-term stays.

20 (d) The department of revenue does not collect data specifically
21 for the long-term lodging exemption.

22 (2) Therefore, it is the intent of the general assembly to simplify
23 the collection and administration of taxes for the state of Colorado and to
24 relieve taxpayers' confusion and vendors' administrative burdens by
25 repealing tax expenditures that are not meeting their original purpose and
26 which are not tracked by the department of revenue.

1 **SECTION 2.** In Colorado Revised Statutes, 39-26-704, **amend**
2 (3) as follows:

3 **39-26-704. Miscellaneous sales tax exemptions - governmental**
4 **entities - hotel residents - schools - exchange of property.**

5 (3) (a) There shall be exempt from taxation under the provisions of part
6 1 of this article **26** all sales and purchases of commodities and services
7 under the provisions of section 39-26-102 (11) to any ~~occupant~~ NATURAL
8 PERSON who is a permanent resident of any hotel, apartment hotel,
9 lodging house, motor hotel, guesthouse, guest ranch, trailer coach, mobile
10 home, auto camp, or trailer court or park and who enters into or has
11 entered into a written agreement for occupancy of a room or
12 accommodations for a period of at least thirty consecutive days during the
13 calendar year or preceding year.

14 (b) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
15 CONTRARY, ON OR AFTER JANUARY 1, 2021, FOR ANY LOCAL GOVERNMENT
16 OR POLITICAL SUBDIVISION OF THE STATE THAT LEVIES A SALES OR USE
17 TAX BASED ON THE SALES OR USE TAX LEVIED BY THE STATE PURSUANT TO
18 THIS ARTICLE 26, ALL SALES AND PURCHASES OF COMMODITIES AND
19 SERVICES UNDER THE PROVISIONS OF SECTION 39-26-102 (11) TO ANY
20 OCCUPANT WHO IS A PERMANENT RESIDENT OF ANY HOTEL, APARTMENT
21 HOTEL, LODGING HOUSE, MOTOR HOTEL, GUESTHOUSE, GUEST RANCH,
22 TRAILER COACH, MOBILE HOME, AUTO CAMP, OR TRAILER COURT OR PARK
23 AND WHO ENTERS INTO OR HAS ENTERED INTO A WRITTEN AGREEMENT FOR
24 OCCUPANCY OF A ROOM OR ACCOMMODATIONS FOR A PERIOD OF AT LEAST
25 THIRTY CONSECUTIVE DAYS DURING THE CALENDAR YEAR OR PRECEDING
26 CALENDAR YEAR SHALL BE EXEMPT FROM THE SALES OR USE TAX OF SUCH
27 LOCAL GOVERNMENT OR POLITICAL SUBDIVISION, UNLESS THE LOCAL

1 GOVERNMENT OR POLITICAL SUBDIVISION EXPRESSLY SUBJECTS SUCH SALE
2 TO ITS SALES OR USE TAX FOR THE APPLICABLE PERIOD AT THE TIME OF
3 ADOPTION OF ITS INITIAL SALES OR USE TAX ORDINANCE OR RESOLUTION
4 OR SUBSEQUENT AMENDMENT THERETO.

5 **SECTION 3. Act subject to petition - effective date -**
6 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
7 the expiration of the ninety-day period after final adjournment of the
8 general assembly (August 5, 2020, if adjournment sine die is on May 6,
9 2020); except that, if a referendum petition is filed pursuant to section 1
10 (3) of article V of the state constitution against this act or an item, section,
11 or part of this act within such period, then the act, item, section, or part
12 will not take effect unless approved by the people at the general election
13 to be held in November 2020 and, in such case, will take effect on the
14 date of the official declaration of the vote thereon by the governor.

15 (2) This act applies to sales taxes levied on or after January 1,
16 2021.