

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

DRAFT  
10/6/23

Bill 1

LLS NO. 24-0383.01 Jed Franklin x5484

INTERIM COMMITTEE BILL

Legislative Oversight Committee Concerning Tax Policy

---

**BILL TOPIC:** Adjusting Certain Tax Expenditures

---

**A BILL FOR AN ACT**

101 **CONCERNING THE ADJUSTMENT OF CERTAIN TAX EXPENDITURES.**

---

**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/>.)*

**Legislative Oversight Committee Concerning Tax Policy.** The bill repeals the following infrequently used tax expenditures:

- The catastrophic health insurance deduction (**sections 2 and 3** of the bill);
- The non-resident disaster relief worker subtraction (**sections 4, 5, and 6**);
- The medical savings account deduction (**sections 7, 8, 9, and 10**);

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

- The childcare facility investment credit (**section 11**);
- The school to career expenses credit (**section 12**);
- The Colorado works program employer credit (**section 13**);
- The credit for purchase of uniquely valuable motor vehicle registration numbers (**section 14**);
- The low-emitting vehicles and commercial vehicles used in interstate commerce exemptions (**sections 15, 16, and 17**);
- The biotechnology sales and use tax refund (**sections 18 and 19**);
- The rural broadband equipment sales tax refund (**section 20**);
- The first time home buyer savings account deduction (**sections 21, 22, and 23**);
- The tangible personal property affixed to aircraft tax exemption (**section 24**);
- The non-resident aircraft sales and aircraft parts exemption (**section 25**);
- The aircraft gasoline tax exemption (**section 26**); and
- The structural cigarette and tobacco excise tax expenditures (**sections 27 and 28**).

---

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

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

4           (a) The office of the state auditor has researched and identified  
5 certain tax expenditures that are either unused or very infrequently used;

6           (b) The office of the state auditor has recommended repeal of  
7 certain unused or infrequently used tax expenditures;

8           (c) Some of the unused or infrequently used tax expenditures  
9 identified by the office of the state auditor to be repealed are:

10           (I) The catastrophic health insurance deduction, as described in  
11 sections 10-16-116 and 39-22-104.5;

12           (II) The non-resident disaster relief worker subtraction, as  
13 described in sections 39-22-104 (4)(t), 39-22-601 (1)(a)(II), and  
14 39-22-604 (19);

1 (III) The medical savings account deduction, as described in  
2 sections 39-22-104 (4)(h), 39-22-104.6, 39-22-304, and 39-22-504.7;

3 (IV) The childcare facility investment credit, as described in  
4 section 39-22-517;

5 (V) The school to career expenses credit, as described in section  
6 39-22-520 (2)(a);

7 (VI) The Colorado works program employer credit, as described  
8 in section 39-22-521 (1);

9 (VII) The credit for purchase of uniquely valuable motor vehicle  
10 registration numbers, as described in section 39-22-535;

11 (VIII) The low-emitting vehicles and commercial vehicles used  
12 in interstate commerce exemptions, as described in sections 30-20-604.5,  
13 39-26-113.5, and 39-26-719;

14 (IX) The biotechnology sales and use tax refund, as described in  
15 section 39-26-402 (1);

16 (X) The rural broadband equipment sales tax refund, as described  
17 in section 39-26-129;

18 (XI) The first time home buyer savings account deduction, as  
19 described in sections 39-22-104 (4)(w)(I) and 39-22-4704;

20 (XII) The tangible personal property affixed to aircraft tax  
21 exemption, as described in sections 39-26-711 (1)(b) and (2)(b);

22 (XIII) The non-resident aircraft sales and aircraft parts  
23 exemptions, as described in section 39-26-711.5;

24 (XIV) The aircraft gasoline tax exemption, as described in section  
25 39-27-102.5; and

26 (XV) The structural cigarette and tobacco excise tax expenditures,  
27 as described in sections 39-28-104 (4) and 39-28.5-107 (2).

1 (d) Administration of these tax expenditures by the department of  
2 revenue is costly and inefficient;

3 (e) Inclusion of these tax expenditures in statute unnecessarily  
4 complicates and lengthens the Colorado Revised Statutes;

5 (f) These tax expenditures are so infrequently used that they bring  
6 no value to the state; and

7 (g) The repeal of these tax expenditures will cause, at most, only  
8 de minimis impact to the state budget.

9 (2) Therefore, the general assembly further finds and declares that  
10 the purposes of repealing these infrequently used tax expenditures are to  
11 follow the office of the state auditor's recommendations regarding these  
12 tax expenditures, to improve the efficiency and lower the cost of  
13 administration at the department of revenue, to reduce the length and  
14 complexity of the Colorado Revised Statutes, and to remove ineffective  
15 tax expenditures and that any de minimis revenue increase that may result  
16 from the repeals is incidental to those purposes.

17 **SECTION 2.** In Colorado Revised Statutes, 10-16-116, **amend**  
18 (2) and (5) as follows:

19 **10-16-116. Catastrophic health insurance - coverage -**  
20 **premium payments - reporting requirements - definitions - short title**  
21 **- repeal.** (2) (a) An employer may offer catastrophic health insurance to  
22 its employees pursuant to this section.

23 (b) PRIOR TO JANUARY 1, 2025, employees who elect the coverage  
24 shall pay the cost of the insurance pursuant to subsection (5) of this  
25 section.

26 (c) THIS SUBSECTION (2)(c) AND SUBSECTION (2)(b) OF THIS  
27 SECTION ARE REPEALED, EFFECTIVE DECEMBER 31, 2028.

1 (5) (a) PRIOR TO JANUARY 1, 2025, if claiming an exclusion of  
2 premium payments for state income tax purposes pursuant to section  
3 39-22-104.5, ~~C.R.S.~~, an employee shall elect to purchase catastrophic  
4 health insurance by signing a written election, which must be in the form  
5 prescribed by the executive director of the department of revenue and  
6 signed by the employee prior to the date the employer withholds the first  
7 contribution.

8 (b) PRIOR TO JANUARY 1, 2025, an employer shall withhold the  
9 premium payments for catastrophic health insurance from the wages of  
10 an employee who has elected coverage pursuant to ~~paragraph (a) of this~~  
11 ~~subsection (5)~~ SUBSECTION (5)(a) OF THIS SECTION and shall remit the  
12 premiums to the insuring entity on the employee's behalf. All premiums  
13 collected by an employer are withheld from the employee's wages on a  
14 pre-tax basis pursuant to section 39-22-104.5. ~~C.R.S.~~

15 (c) PRIOR TO JANUARY 1, 2025, an employer withholding premium  
16 payments from an employee's wages pursuant to ~~paragraph (b) of this~~  
17 ~~subsection (5)~~ SUBSECTION (5)(b) OF THIS SECTION shall report the amount  
18 withheld to the department of revenue, pursuant to rules promulgated by  
19 the executive director of the department.

20 (d) THIS SUBSECTION (5) IS REPEALED, EFFECTIVE DECEMBER 31,  
21 2028.

22 **SECTION 3.** In Colorado Revised Statutes, **amend** 39-22-104.5  
23 as follows:

24 **39-22-104.5. Pretax payments - catastrophic health insurance**  
25 **- repeal.** (1) For income tax years commencing on or after January 1,  
26 1995, AND PRIOR TO JANUARY 1, 2025, amounts withheld from an  
27 individual's wages that are used to pay for catastrophic health insurance

1 pursuant to and within the limitations prescribed by section 10-16-116,  
2 ~~C.R.S.~~, are excluded from the individual's federal taxable income for  
3 purposes of the state income tax imposed by section 39-22-104.

4 (2) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

5 **SECTION 4.** In Colorado Revised Statutes, 39-22-104, **amend**  
6 (4)(t)(I); and **add** (4)(t)(III) as follows:

7 **39-22-104. Income tax imposed on individuals, estates, and**  
8 **trusts - single rate - report - legislative declaration - definitions -**  
9 **repeal.** (4) There shall be subtracted from federal taxable income:

10 (t) (I) For income tax years commencing on or after January 1,  
11 2015, AND PRIOR TO JANUARY 1, 2025, compensation that would be  
12 subject to withholding under section 39-22-604, received by a nonresident  
13 individual for performing disaster-related work in the state during a  
14 disaster period.

15 (III) THIS SUBSECTION (4)(t) IS REPEALED, EFFECTIVE DECEMBER  
16 31, 2028.

17 **SECTION 5.** In Colorado Revised Statutes, 39-22-601, **amend**  
18 (1)(a)(II) as follows:

19 **39-22-601. Returns - repeal.** (1) (a) (II) For purposes of this  
20 ~~paragraph (a)~~ SUBSECTION (1)(a)(II), a nonresident individual whose only  
21 source of income from this state is compensation that is subtracted from  
22 federal taxable income under section 39-22-104 (4)(t) need not file a  
23 return.

24 (A) THIS SUBSECTION (1)(a)(II) APPLIES TO TAX YEARS  
25 COMMENCING BEFORE JANUARY 1, 2025.

26 (B) THIS SUBSECTION (1)(a)(II) IS REPEALED, EFFECTIVE  
27 DECEMBER 31, 2028.

1           **SECTION 6.** In Colorado Revised Statutes, 39-22-604, **amend**  
2 (19) as follows:

3           **39-22-604. Withholding tax - requirement to withhold - tax**  
4 **lien - exemption from lien - annual statement - notice - definitions -**  
5 **repeal.** (19) (a) PRIOR TO JANUARY 1, 2025, no amount is required to be  
6 deducted and withheld from an employee's wages pursuant to this section  
7 for income tax due to the state if the employee's withholding certificate  
8 indicates that the compensation is eligible to be subtracted from federal  
9 taxable income pursuant to section 39-22-104 (4)(t).

10           (b) THIS SUBSECTION (19) IS REPEALED, EFFECTIVE DECEMBER 31,  
11 2028.

12           **SECTION 7.** In Colorado Revised Statutes, 39-22-104, **amend**  
13 (4)(h) as follows:

14           **39-22-104. Income tax imposed on individuals, estates, and**  
15 **trusts - single rate - report - legislative declaration - definitions -**  
16 **repeal.** (4) There shall be subtracted from federal taxable income:

17           (h) (I) PRIOR TO JANUARY 1, 2025, any amount contributed to a  
18 medical savings account by an employer pursuant to section 39-22-504.7  
19 (2)(e), to the extent such amount is not claimed as a deduction on the  
20 taxpayer's federal tax return;

21           (II) THIS SUBSECTION (4)(h) IS REPEALED, EFFECTIVE DECEMBER  
22 31, 2028.

23           **SECTION 8.** In Colorado Revised Statutes, **amend** 39-22-104.6  
24 as follows:

25           **39-22-104.6. Pretax payments - medical savings accounts -**  
26 **repeal.** (1) PRIOR TO JANUARY 1, 2025, to the extent a taxpayer is not  
27 otherwise claiming deductions on federal income tax returns for

1 contributions to medical savings accounts, amounts withheld from an  
2 individual's wages which are contributed to such individual's medical  
3 savings account, pursuant to section 39-22-504.7, are excluded from an  
4 individual's federal taxable income for purposes of the state income tax  
5 imposed by section 39-22-104.

6 (2) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

7 **SECTION 9.** In Colorado Revised Statutes, 39-22-304, **amend**

8 (3)(k) as follows:

9 **39-22-304. Net income of corporation - legislative declaration**  
10 **- definitions - repeal.** (3) There shall be subtracted from federal taxable  
11 income:

12 (k) (I) PRIOR TO JANUARY 1, 2025, any amount contributed to a  
13 medical savings account pursuant to section 39-22-504.7 (2)(e), to the  
14 extent such amount is not claimed as a deduction on the taxpayer's federal  
15 tax return;

16 (II) THIS SUBSECTION (3)(k) IS REPEALED, EFFECTIVE DECEMBER  
17 31, 2028.

18 **SECTION 10.** In Colorado Revised Statutes, 39-22-504.7,  
19 **amend** (1) and (2)(e); and **add** (8) as follows:

20 **39-22-504.7. Medical savings accounts - establishment -**  
21 **contributions - distributions - restrictions - taxation - portability -**  
22 **repeal.** (1) (a) **Establishment of accounts.** On and after January 1, 1995,  
23 AND PRIOR TO JANUARY 1, 2025, an employer may offer to establish  
24 medical savings accounts.

25 (b) PRIOR TO JANUARY 1, 2025, an employee on whose behalf a  
26 medical savings account has not been established by his or her employer  
27 may establish such an account on his or her own behalf.



1           (2) (e) **Employer contributions - tax deduction.** PRIOR TO  
2 JANUARY 1, 2025, employer contributions to employee medical savings  
3 accounts constitute a deduction from the employers federal taxable  
4 income, pursuant to sections 39-22-104 (4)(h) and 39-22-304 (3)(k).

5           (8) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31,  
6 2028.

7           **SECTION 11.** In Colorado Revised Statutes, 39-22-517, **amend**  
8 (1) and (2); and **add** (4) as follows:

9           **39-22-517. Tax credit for child care center investments -**  
10 **repeal.** (1) With respect to taxable years commencing on or after January  
11 1, 1992, AND PRIOR TO JANUARY 1, 2025, there is allowed to any person  
12 operating a child care center licensed pursuant to section 26-6-905 or  
13 26.5-5-309, family child care home licensed pursuant to section  
14 26.5-5-309, or foster care home licensed pursuant to section 26-6-905 a  
15 credit against the tax imposed by this article 22 in the amount of twenty  
16 percent of the taxpayer's annual investment in tangible personal property  
17 to be used in such child care center, family child care home, or foster care  
18 home.

19           (2) With respect to taxable years commencing on or after July 1,  
20 1992, AND PRIOR TO JANUARY 1, 2025, there is allowed to any sole  
21 proprietorship, partnership, limited liability corporation, subchapter S  
22 corporation, or regular corporation that provides child care facilities that  
23 are incidental to their business and are licensed pursuant to section  
24 26-6-905 or 26.5-5-309 for the use of its employees a credit against the  
25 tax imposed by this article 22 in the amount of ten percent of the  
26 taxpayer's annual investment in tangible personal property to be used in  
27 such child care facilities.

1 (4) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

2 **SECTION 12.** In Colorado Revised Statutes, 39-22-520, **amend**  
3 (2)(a); and **add** (4) as follows:

4 **39-22-520. Credit against tax - investment in school-to-career**  
5 **program - definitions - repeal.** (2) (a) For income tax years beginning  
6 on or after January 1, 1997, AND PRIOR TO JANUARY 1, 2025, there shall  
7 be allowed to any person as a credit against the tax imposed by this ~~article~~  
8 ARTICLE 22 an amount equal to ten percent of the total qualified  
9 investment made in a qualified school-to-career program.

10 (4) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

11 **SECTION 13.** In Colorado Revised Statutes, 39-22-521, **amend**  
12 (1) introductory portion; and **add** (4) as follows:

13 **39-22-521. Credits against tax - employer expenses - public**  
14 **assistance recipients - repeal.** (1) With respect to taxable years  
15 commencing on or after January 1, 1998, AND PRIOR TO JANUARY 1, 2025,  
16 there shall be allowed to an employer of any person receiving public  
17 assistance pursuant to the Colorado works program set forth in part 7 of  
18 article 2 of title 26, ~~C.R.S.~~, a credit, for not more than two years, against  
19 the tax imposed by this article in the amount of twenty percent of the  
20 employer's annual investment in any one or more of the following  
21 services that are incidental to the employer's business:

22 (4) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

23 **SECTION 14.** In Colorado Revised Statutes, 39-22-535, **amend**  
24 (1); and **add** (3) as follows:

25 **39-22-535. Credit for purchase of uniquely valuable motor**  
26 **vehicle registration numbers - repeal.** (1) For tax years commencing  
27 on or after January 1, 2013, AND PRIOR TO JANUARY 1, 2025, a person

1 who buys the right to use a registration number under section 24-30-2206  
2 is allowed a credit against the income taxes imposed by this article 22 for  
3 twenty percent of the purchase price of the right to use the registration  
4 number that is paid to the Colorado disability funding committee created  
5 in section 24-30-2203.

6 (3) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

7 **SECTION 15.** In Colorado Revised Statutes, 30-20-604.5,  
8 **amend** (1) as follows:

9 **30-20-604.5. District sales tax - repeal.** (1) (a) The board of any  
10 county or of any city that has been authorized to become a city and county  
11 pursuant to an amendment to the state constitution that has been approved  
12 by the registered electors of the state of Colorado and that subsequently  
13 becomes a city and county for the purpose of funding all or a portion of  
14 the cost of any improvements constructed or transportation services  
15 provided pursuant to section 30-20-603 (1)(a), (1)(a.5), and (1)(c), may  
16 levy a sales tax throughout the district upon every transaction or other  
17 incident with respect to which a sales tax is authorized pursuant to section  
18 29-2-105; except that such tax may be levied only upon those transactions  
19 specified in section 39-26-104 (1)(a), (1)(b), (1)(e), and (1)(f). PRIOR TO  
20 JANUARY 1, 2025, the board may, in its discretion, levy or continue to  
21 levy a sales tax on the sales of low-emitting motor vehicles, power  
22 sources, or parts used for converting such power sources as specified in  
23 section 39-26-719 (1).

24 (b) THIS SUBSECTION (1) IS REPEALED, EFFECTIVE DECEMBER 31,  
25 2028.

26 **SECTION 16.** In Colorado Revised Statutes, 39-26-113.5,  
27 **amend** (1)(a); and **add** (4) as follows:

1           **39-26-113.5. Refund of state sales taxes for vehicles used in**  
2 **interstate commerce - fund - repeal.** (1) (a) Except as provided in  
3 subsection (3) of this section, for the calendar year commencing on  
4 January 1, 2011, and for each calendar year thereafter PRIOR TO JANUARY  
5 1, 2025, a taxpayer may claim a refund of a percentage of all state sales  
6 and use taxes paid by the taxpayer pursuant to this part 1 and part 2 of this  
7 article on the sale, storage, or use of a model year 2010 or newer truck  
8 tractor or semitrailer with a gross vehicle weight rating of fifty-four  
9 thousand pounds or greater that is purchased on or after July 1, 2011, AND  
10 PRIOR TO JANUARY 1, 2025.

11           (4) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

12           **SECTION 17.** In Colorado Revised Statutes, 39-26-719, **amend**  
13 (1)(a) introductory portion and (2) introductory portion; and **add** (3) as  
14 follows:

15           **39-26-719. Motor vehicles - repeal.** (1) (a) PRIOR TO JANUARY  
16 1, 2025, there shall be exempt from taxation under the provisions of part  
17 1 of this ~~article~~ ARTICLE 26 the sale of any motor vehicle, power source  
18 for any motor vehicle, or parts used for converting the power source for  
19 any motor vehicle, if:

20           (2) PRIOR TO JANUARY 1, 2025, the following shall be exempt  
21 from taxation under the provisions of part 2 of this ~~article~~ ARTICLE 26:

22           (3) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

23           **SECTION 18.** In Colorado Revised Statutes, 39-26-402, **amend**  
24 (1) as follows:

25           **39-26-402. Refund of state sales and use tax for biotechnology**  
26 **- application requirements and procedures - repeal.** (1) For the  
27 calendar year commencing January 1, 1999, and for each calendar year

1 thereafter PRIOR TO JANUARY 1, 2025, each qualified biotechnology  
2 taxpayer shall be allowed to claim a refund of all state sales and use tax  
3 paid by the qualified biotechnology taxpayer, pursuant to parts 1 and 2 of  
4 this ~~article~~ ARTICLE 26, on the sale, storage, use, or consumption of  
5 tangible personal property to be used in Colorado directly and  
6 predominately in research and development of biotechnology during that  
7 calendar year.

8 **SECTION 19.** In Colorado Revised Statutes, **add** 39-26-403 as  
9 follows:

10 **39-26-403. Repeal.** THIS PART 4 IS REPEALED, EFFECTIVE  
11 DECEMBER 31, 2028.

12 **SECTION 20.** In Colorado Revised Statutes, 39-26-129, **amend**  
13 (3); and **add** (6) as follows:

14 **39-26-129. Refund for property used in rural broadband**  
15 **service - legislative declaration - definitions - repeal.** (3) Except as  
16 provided in subsection (5) of this section, for the calendar year  
17 commencing January 1, 2014, and for each calendar year thereafter PRIOR  
18 TO JANUARY 1, 2025, a broadband provider is allowed to claim a refund  
19 of all the state sales and use tax the provider pays pursuant to parts 1 and  
20 2 of this ~~article~~ ARTICLE 26 for tangible personal property that is installed  
21 in a target area for the provision of broadband service.

22 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

23 **SECTION 21.** In Colorado Revised Statutes, 39-22-104, **amend**  
24 (4)(w)(I); and **add** (4)(w)(III) as follows:

25 **39-22-104. Income tax imposed on individuals, estates, and**  
26 **trusts - single rate - report - legislative declaration - definitions -**  
27 **repeal.** (4) There shall be subtracted from federal taxable income:

1 (w) (I) For income tax years commencing on or after January 1,  
2 2017, AND PRIOR TO JANUARY 1, 2025, to the extent included in federal  
3 taxable income and as permitted under part 47 of this ~~article~~ ARTICLE 22,  
4 an amount equal to any interest and other income earned on the  
5 investment of the money in a first-time home buyer savings account  
6 during the taxable year.

7 (III) THIS SUBSECTION (4)(w) IS REPEALED, EFFECTIVE DECEMBER  
8 31, 2028.

9 **SECTION 22.** In Colorado Revised Statutes, 39-22-4704, **amend**  
10 (1) as follows:

11 **39-22-4704. First-time home buyer savings account - repeal.**

12 (1) Beginning January 1, 2017, AND PRIOR TO JANUARY 1, 2025, any  
13 individual may open an account with a financial institution and designate  
14 the account, in its entirety, as a first-time home buyer savings account to  
15 be used to pay or reimburse a qualified beneficiary's eligible expenses for  
16 the purchase of a primary residence in Colorado. An individual may be  
17 the account holder of multiple accounts, and an individual may jointly  
18 own the account with another person if they file a joint income tax return.  
19 To be eligible for the subtraction under section 39-22-104 (4)(w)(I), an  
20 account holder must comply with the requirements of this section.

21 **SECTION 23.** In Colorado Revised Statutes, **add** 39-22-4708 as  
22 follows:

23 **39-22-4708. Repeal.** THIS PART 47 IS REPEALED, EFFECTIVE  
24 DECEMBER 31, 2028.

25 **SECTION 24.** In Colorado Revised Statutes, 39-26-711, **amend**  
26 (1) introductory portion, (1)(b), (2) introductory portion, and (2)(b); and  
27 **add** (3) as follows:

1           **39-26-711. Aircraft - tangible personal property - repeal.**

2           (1) The following shall be exempt from taxation under the provisions of  
3           part 1 of this ~~article~~ ARTICLE 26:

4           (b) PRIOR TO JANUARY 1, 2025, the sale of tangible personal  
5           property that is to be permanently affixed or attached as a component part  
6           of an aircraft.

7           (2) The following shall be exempt from taxation under the  
8           provisions of part 2 of this ~~article~~ ARTICLE 26:

9           (b) PRIOR TO JANUARY 1, 2025, the storage, use, or consumption  
10          of any tangible personal property that is to be permanently affixed or  
11          attached as a component part of an aircraft.

12          (3) SUBSECTIONS (1)(b) AND (2)(b) OF THIS SECTION ARE  
13          REPEALED, EFFECTIVE DECEMBER 31, 2028.

14          **SECTION 25.** In Colorado Revised Statutes, 39-26-711.5,  
15          **amend** (1) introductory portion; and **add** (4) as follows:

16          **39-26-711.5. Aircraft - use outside state - repeal.** (1) PRIOR TO  
17          JANUARY 1, 2025, the sale, storage, use, and consumption of a new or  
18          used aircraft shall be exempt from taxation under the provisions of part  
19          1 and part 2 of this article 26 if:

20          (4) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

21          **SECTION 26.** In Colorado Revised Statutes, 39-27-102.5,  
22          **amend** (2.5)(a)(II) and (2.5)(a)(III); and **add** (2.5)(a)(IV) as follows:

23          **39-27-102.5. Exemptions on tax imposed - ex-tax purchases -**  
24          **definition - repeal.** (2.5) (a) (II) PRIOR TO JANUARY 1, 2025, gasoline  
25          used by domestic or foreign part 121 air carriers or part 135 commuter air  
26          carriers authorized to provide passenger and cargo air transportation  
27          services pursuant to the regulations of the office of the secretary of

1 transportation and federal aviation administration of the United States  
2 department of transportation is exempt from the tax imposed pursuant to  
3 this part 1. For those air carriers that are certificated by the United States  
4 department of transportation for both part 121 air carrier operations and  
5 part 135 on-demand operations, the provisions of this subsection  
6 (2.5)(a)(II) shall not apply to the air carrier's part 135 on-demand  
7 operations.

8 (III) PRIOR TO JANUARY 1, 2025, gasoline used by direct air  
9 carriers providing air transportation to authorized public charter operators  
10 pursuant to 14 CFR 380 is exempt from the tax imposed pursuant to this  
11 part 1.

12 (IV) SUBSECTIONS (2.5)(a)(II) AND (2.5)(a)(III) OF THIS SECTION  
13 AND THIS SUBSECTION (2.5)(a)(IV) ARE REPEALED, EFFECTIVE DECEMBER  
14 31, 2028.

15 **SECTION 27.** In Colorado Revised Statutes, 39-28-104, **amend**  
16 (4)(a); and **add** (4)(e) as follows:

17 **39-28-104. Evidence of payment of tax - credits - redemptions**  
18 **- repeal.** (4) (a) PRIOR TO JANUARY 1, 2025, credit shall be given by the  
19 department to a wholesaler for all taxes levied pursuant to this article and  
20 section 21 of article X of the state constitution and paid pursuant to the  
21 provisions of this ~~article~~ ARTICLE 28 that are bad debts. Such credit shall  
22 offset taxes levied pursuant to this article and section 21 of article X of  
23 the state constitution and paid pursuant to the provisions of this article  
24 only. No credit shall be given unless the bad debt has been charged off as  
25 uncollectible on the books of the wholesaler. Subsequent to receiving the  
26 credit, if the wholesaler receives a payment for the bad debt, the  
27 wholesaler shall be liable to the department for the amount received and



1 shall remit this amount in the next payment to the department under this  
2 section or section 39-28-105.

3 (4) (e) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE DECEMBER  
4 31, 2028.

5 **SECTION 28.** In Colorado Revised Statutes, 39-28.5-107,  
6 **amend as it will become effective January 1, 2024, (2)(a); and add**  
7 **(2)(e) as follows:**

8 **39-28.5-107. When credit may be obtained for tax paid -**  
9 **repeal.** (2) (a) PRIOR TO JANUARY 1, 2025, credit shall be given by the  
10 department to a distributor or remote retail seller for all taxes levied  
11 pursuant to this article 28.5 and section 21 of article X of the state  
12 constitution and paid pursuant to the provisions of this article 28.5 that  
13 are bad debts. Such credit shall offset taxes levied pursuant to this article  
14 28.5 and section 21 of article X of the state constitution and paid pursuant  
15 to the provisions of this article 28.5 only. No credit shall be given unless  
16 the bad debt has been charged off as uncollectible on the books of the  
17 distributor or remote retail seller. Subsequent to receiving the credit, if the  
18 distributor or remote retail seller receives a payment for the bad debt, the  
19 distributor or remote retail seller shall be liable to the department for the  
20 amount received and shall remit this amount in the next payment to the  
21 department under section 39-28.5-106.

22 (e) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE DECEMBER 31,  
23 2028.

24 **SECTION 29. Act subject to petition - effective date.** This act  
25 takes effect at 12:01 a.m. on the day following the expiration of the  
26 ninety-day period after final adjournment of the general assembly; except  
27 that, if a referendum petition is filed pursuant to section 1 (3) of article V

1 of the state constitution against this act or an item, section, or part of this  
2 act within such period, then the act, item, section, or part will not take  
3 effect unless approved by the people at the general election to be held in  
4 November 2024 and, in such case, will take effect on the date of the  
5 official declaration of the vote thereon by the governor.