

CHAPTER 50

TAXATION

HOUSE BILL 94-1024

BY REPRESENTATIVES Anderson, Blue, Kerns, and Ratterree;
also SENATORS Bishop, Gallagher, Martinez, and R. Powers.

AN ACT

**CONCERNING THE RECOVERY OF COSTS INCURRED BY THE DEPARTMENT OF REVENUE FOR THE
COLLECTION OF TAXES IMPOSED BY CERTAIN POLITICAL SUBDIVISIONS OF THE STATE.**

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

SECTION 1. 30-11-107.5 (2) (b), Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended to read:

30-11-107.5. Lodging tax for the advertising and marketing of local tourism.

(2) (b) The department of revenue shall perform, on an annual basis, an analysis to determine the ~~costs~~ NET INCREMENTAL COST of such collection, administration, and enforcement. The department of revenue shall retain only the amount determined to be necessary by the cost analysis, and in no event shall that amount exceed three and one-third percent of the amount collected. Such amount retained shall be transmitted to the state treasurer, who shall credit the same to the general fund, and such amount shall be subject to appropriation by the general assembly for the ~~costs~~ NET INCREMENTAL COST of such collection, administration, and enforcement.

SECTION 2. 30-11-107.7 (2) (c) (II), Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended to read:

**30-11-107.7. County rental tax on the rental of personal property -
procedures - apportionment.**

(2) (c) (II) The department of revenue shall perform, on an annual basis, an analysis to determine the ~~costs~~ NET INCREMENTAL COST of such collection, administration, and enforcement. The department of revenue shall retain only the amount determined to be necessary by the cost analysis, and in no event shall that amount exceed three and one-third percent of the amount collected. Such amount retained shall be transmitted to the state treasurer, who shall credit the same to the

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

general fund, and such amount shall be subject to appropriations by the general assembly for the ~~costs~~ NET INCREMENTAL COST of such collection, administration, and enforcement.

SECTION 3. 30-20-604.5 (2), Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended to read:

30-20-604.5. District sales tax. (2) (a) The tax shall be collected, administered, and enforced, to the extent feasible, pursuant to section 29-2-106, C.R.S. The department of revenue shall retain an amount not to exceed the NET INCREMENTAL cost of such collection, administration, and enforcement and shall transmit such amount to the state treasurer, who shall credit the same to the districtwide sales tax fund, which fund is hereby created; EXCEPT THAT IN NO EVENT SHALL:

(I) ANY DISTRICT FORMED PRIOR TO OR ON JULY 1, 1993, PAY IN ANY GIVEN FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 1994, MORE THAN AN AMOUNT EQUAL TO THE AMOUNT PAID BY THE DISTRICT IN THE 1993-94 FISCAL YEAR, AS ADJUSTED IN ACCORDANCE WITH CHANGES IN THE CONSUMER PRICE INDEX FOR THE DENVER-BOULDER CONSOLIDATED METROPOLITAN STATISTICAL AREA;

(II) ANY DISTRICT FORMED AFTER JULY 1, 1993, PAY IN ANY GIVEN FISCAL YEAR COMMENCING AFTER THE FIRST FULL FISCAL YEAR OF OPERATION MORE THAN AN AMOUNT EQUAL TO THE AMOUNT PAID BY THE DISTRICT IN THE FIRST FULL FISCAL YEAR OF OPERATION, AS ADJUSTED IN ACCORDANCE WITH CHANGES IN THE CONSUMER PRICE INDEX FOR THE DENVER-BOULDER CONSOLIDATED METROPOLITAN STATISTICAL AREA.

(b) The general assembly shall appropriate annually from ~~said~~ THE DISTRICTWIDE SALES TAX fund to the department of revenue the amount necessary for the department's collection, administration, and enforcement of the districtwide sales tax. Any moneys remaining in said fund attributable to districtwide sales taxes collected in the prior fiscal year shall be transmitted to the county which established the district for which a districtwide sales tax has been levied; except that, prior to the transmission to the county of such moneys, any moneys appropriated from the general fund to the department of revenue for collection, administration, and enforcement of a districtwide sales tax shall be repaid.

SECTION 4. 32-9-119 (2) (c) (II), Colorado Revised Statutes, as amended, is amended to read:

32-9-119. Additional powers of district. (2) (c) Sales tax levied pursuant to this subsection (2) shall be collected, administered, and enforced as follows:

(II) The executive director of the department of revenue shall administer, collect, and distribute any sales tax imposed in conformity with this article. The executive director of the department of revenue shall make monthly distributions of such sales tax collections to the district. The department of revenue shall retain an amount not to exceed the net INCREMENTAL cost of such administration, collection, and distribution and shall transmit such amount to the state treasurer, who shall credit the same to the general fund; EXCEPT THAT THE AMOUNT RETAINED BY THE DEPARTMENT OF REVENUE IN ANY GIVEN FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 1994,

SHALL NOT EXCEED THE AMOUNT RETAINED BY THE DEPARTMENT IN THE 1993-94 FISCAL YEAR, AS ADJUSTED IN ACCORDANCE WITH CHANGES IN THE CONSUMER PRICE INDEX FOR THE DENVER-BOULDER CONSOLIDATED METROPOLITAN STATISTICAL AREA. The cost of such administration, collection, and distribution shall be the audited net incremental cost thereof reduced by the amount of interest earned on such sales tax collections prior to distribution to the district.

SECTION 5. 32-13-107 (2), Colorado Revised Statutes, as amended, is amended to read:

32-13-107. Sales tax imposed - collection - administration of tax - use.

(2) The collection, administration, and enforcement of said sales tax shall be performed by the executive director of the department of revenue in the same manner as that for the collection, administration, and enforcement of the state sales tax imposed under article 26 of title 39, C.R.S., including, without limitation, the retention by a vendor of the percentage of the amount remitted to cover the vendor's expense in the collection and remittance of said tax as provided in section 39-26-105, C.R.S. The executive director shall make monthly distributions of such sales tax collections to the district. The district shall pay the ~~direct and indirect costs~~ NET INCREMENTAL COST incurred by the department of revenue in the administration and collection of such sales taxes; ~~and~~ EXCEPT THAT IN NO EVENT SHALL THE DISTRICT PAY IN ANY GIVEN FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 1994, MORE THAN AN AMOUNT EQUAL TO THE AMOUNT PAID BY THE DISTRICT IN THE 1993-94 FISCAL YEAR, AS ADJUSTED IN ACCORDANCE WITH CHANGES IN THE CONSUMER PRICE INDEX FOR THE DENVER-BOULDER CONSOLIDATED METROPOLITAN STATISTICAL AREA. The department may make expenditures for such costs subject to annual appropriation by the general assembly.

SECTION 6. 32-13-110 (2), Colorado Revised Statutes, as amended, is amended to read:

32-13-110. Tax imposed - collection - administration of tax - use. (2) If such sales tax is levied pursuant to the provisions of this article, the collection, administration, and enforcement of said sales tax shall be performed by the executive director of the department of revenue in the same manner as that for the collection, administration, and enforcement of the state sales tax imposed under article 26 of title 39, C.R.S., including, without limitation, the retention by a vendor of the percentage of the amount remitted to cover the vendor's expense in the collection and remittance of said tax as provided in section 39-26-105, C.R.S. The executive director shall make monthly distributions of such sales tax collections to the district. The district shall pay the ~~direct and indirect costs~~ NET INCREMENTAL COST incurred by the department of revenue in the administration and collection of such sales taxes; ~~and~~ EXCEPT THAT IN NO EVENT SHALL ANY DISTRICT PAY IN ANY GIVEN FISCAL YEAR COMMENCING AFTER THE FIRST FULL FISCAL YEAR OF OPERATION MORE THAN AN AMOUNT EQUAL TO THE AMOUNT PAID BY THE DISTRICT IN THE FIRST FULL FISCAL YEAR OF OPERATION, AS ADJUSTED IN ACCORDANCE WITH CHANGES IN THE CONSUMER PRICE INDEX FOR THE DENVER-BOULDER CONSOLIDATED METROPOLITAN STATISTICAL AREA. The department may make expenditures for such costs subject to annual appropriation by the general assembly.

SECTION 7. 32-14-114 (2), Colorado Revised Statutes, as amended, is amended

to read:

32-14-114. Sales tax imposed - collection - administration of tax - discontinuance. (2) The collection, administration, and enforcement of the sales tax shall be performed by the executive director of the department of revenue in the same manner as that for the collection, administration, and enforcement of the state sales tax imposed pursuant to article 26 of title 39, C.R.S., including, without limitation, the retention by a vendor of the percentage of the amount remitted to cover the vendor's expense in the collection and remittance of the sales tax as provided in section 39-26-105, C.R.S. The executive director shall make monthly distributions of such sales tax collections to the district. The district shall pay the ~~direct and indirect costs~~ NET INCREMENTAL COST incurred by the department of revenue in the administration and collection of such sales tax; ~~and~~ EXCEPT THAT IN NO EVENT SHALL THE DISTRICT PAY IN ANY GIVEN FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 1994, MORE THAN AN AMOUNT EQUAL TO THE AMOUNT PAID BY THE DISTRICT IN THE 1993-94 FISCAL YEAR, AS ADJUSTED IN ACCORDANCE WITH CHANGES IN THE CONSUMER PRICE INDEX FOR THE DENVER-BOULDER CONSOLIDATED METROPOLITAN STATISTICAL AREA. The department may make expenditures for such costs subject to annual appropriation by the general assembly.

SECTION 8. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 29, 1994