

## CHAPTER 275

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**TAXATION**

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**HOUSE BILL 09-1311**

BY REPRESENTATIVE(S) Benefield, Frangas;  
also SENATOR(S) Veiga.

**AN ACT****CONCERNING THE SOURCING OF SALES OF COMPANIES PROVIDING MUTUAL FUND SERVICES FOR COLORADO INCOME TAX APPORTIONMENT.**

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

**SECTION 1.** 39-22-303.7 (1) (e) and (1) (f), the introductory portion to 39-22-303.7 (2), and 39-22-303.7 (2) (c), Colorado Revised Statutes, are amended to read:

**39-22-303.7. Sourcing of sales of mutual fund service corporations - definitions.** (1) As used in this section, unless the context otherwise requires:

(e) "Mutual fund sales" means ~~taxable net income~~ GROSS RECEIPTS derived within the taxable year directly or indirectly from the rendering of management, distribution, or administration services to a regulated investment company, including ~~net income~~ GROSS RECEIPTS received directly or indirectly from trustees, sponsors, and participants of employee benefit plans that have accounts in a regulated investment company.

(f) "Mutual fund service corporation" means any corporation doing business in Colorado that derives ~~more than fifty percent of its~~ gross income from the provision directly or indirectly of management, distribution, or administration services to or on behalf of a regulated investment company and from trustees, sponsors, and participants of employee benefit plans that have accounts in a regulated investment company.

(2) Notwithstanding any provision of section 39-22-303.5, for taxable years commencing on or after January 1, 2009, mutual fund sales by a mutual fund service corporation ~~other than the sale of tangible personal property~~, shall be ~~apportioned~~

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

~~to Colorado~~ CONSIDERED COLORADO SALES FOR PURPOSES OF SECTION 39-22-303.5 (4) (c), to the extent that shareholders of the regulated investment company are domiciled in Colorado as follows:

(c) A separate computation shall be made to determine the mutual fund sales for each regulated investment company, the sum of which shall equal the total mutual fund sales ~~apportioned~~ SOURCED to Colorado.

**SECTION 2. 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: May 18, 2009