

CHAPTER 285

TAXATION

HOUSE BILL 14-1080

BY REPRESENTATIVE(S) McLachlan and Coram, Court, Exum, Ginal, Labuda, Melton, Pabon, Rosenthal, Salazar, Schafer, Singer, Williams, Becker, Kraft-Tharp;
also SENATOR(S) Roberts, Aguilar, Crowder, Guzman, Harvey, Heath, Herpin, Kefalas, Kerr, King, Newell, Nicholson, Schwartz, Steadman, Todd.

AN ACT

CONCERNING A SALES AND USE TAX EXEMPTION FOR THE COLORADO UTE INDIANS.

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

SECTION 1. In Colorado Revised Statutes, **add** 39-26-727 as follows:

39-26-727. Tribal exemption - motor vehicles - partial interest - definition - legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY DECLARES THAT ON-RESERVATION SALES TO THE UTE INDIAN TRIBES AND TRIBAL MEMBERS ARE EXEMPT FROM STATE AND LOCAL SALES AND USE TAX UNDER FEDERAL LAW AND THAT THE PURPOSE OF THE TAX EXEMPTION CREATED IN THIS SECTION IS TO:

(a) CODIFY THIS EXEMPTION SO THAT IT GENERALLY REFLECTS THE DEPARTMENT OF REVENUE'S INTERPRETATION OF CURRENT LAW;

(b) ENSURE CONSISTENT APPLICATION OF THE STATE TAX AND APPLICABLE INDIAN TAXATION RULES;

(c) PROVIDE GUIDANCE FOR TRIBES, TRIBAL MEMBERS, VENDORS, AND THE DEPARTMENT OF REVENUE; AND

(d) CONTINUE THE DEPARTMENT OF REVENUE'S PRACTICE OF NOT REQUIRING THE DELIVERY OF A MOTOR VEHICLE FOR THE EXEMPTION TO APPLY.

(2) AS USED IN THIS SECTION, WITH RESPECT TO A PARTICULAR SALE TO A TRIBE OR TRIBAL MEMBER, "RESERVATION" MEANS EITHER THE SOUTHERN UTE INDIAN RESERVATION OR THE RESERVATION OF THE UTE MOUNTAIN UTE TRIBE.

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

(3) (a) ALL SALES OF TANGIBLE PERSONAL PROPERTY OR SERVICES TO THE SOUTHERN UTE INDIAN TRIBE, UTE MOUNTAIN UTE TRIBE, OR AN ENROLLED MEMBER OF EITHER TRIBE, ARE EXEMPT FROM TAXATION UNDER PART 1 OF THIS ARTICLE IF THE VENDOR IS LOCATED:

(I) ON A RESERVATION; OR

(II) OUTSIDE OF A RESERVATION BUT THE PROPERTY OR SERVICE IS DELIVERED BY THE VENDOR AND RECEIVED BY THE TRIBE OR THE TRIBAL MEMBER ON A RESERVATION.

(b) ALL SALES OF MOTOR VEHICLES TO THE SOUTHERN UTE INDIAN TRIBE OR UTE MOUNTAIN UTE TRIBE, OR TO AN ENROLLED MEMBER OF EITHER TRIBE WHO RESIDES ON A RESERVATION, ARE EXEMPT FROM TAXATION UNDER PART 1 OF THIS ARTICLE IF THE MOTOR VEHICLE IS TO BE REGISTERED TO AN ADDRESS ON A RESERVATION. A VENDOR MAY REASONABLY RELY ON A TRIBAL MEMBER'S CERTIFICATION OF HIS OR HER ENROLLED MEMBERSHIP STATUS AND RESIDENCE.

(4) THE STORAGE, USE, OR CONSUMPTION OF TANGIBLE PERSONAL PROPERTY OR A SERVICE ON A RESERVATION THAT IS EXEMPT FROM SALES TAX PURSUANT TO SUBSECTION (3) OF THIS SECTION IS EXEMPT FROM THE USE TAX LEVIED PURSUANT TO PART 2 OF THIS ARTICLE; EXCEPT THAT THIS USE TAX EXEMPTION ONLY APPLIES TO A MOTOR VEHICLE THAT IS REGISTERED TO AN ADDRESS ON A RESERVATION.

(5) IF THE SOUTHERN UTE INDIAN TRIBE, UTE MOUNTAIN UTE TRIBE, OR AN ENROLLED MEMBER OF EITHER TRIBE HAS A PARTIAL OR UNDIVIDED INTEREST IN ANY TYPE OF LEGAL ENTITY, THE EXEMPTIONS CREATED IN THIS SECTION APPLY TO A SALE OF GOODS OR SERVICES TO SUCH ENTITY IN PROPORTION TO THE INTEREST. TO BE ELIGIBLE FOR THE EXEMPTION, THE TRIBE OR TRIBAL MEMBER MUST FILE A DECLARATION WITH THE DEPARTMENT OF REVENUE THAT IDENTIFIES THE ENTITY, EACH TRIBE AND TRIBAL MEMBER THAT HAS AN INTEREST IN THE ENTITY, AND THE AMOUNT OF EACH INTEREST.

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 30, 2014