



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Room 029 State Capitol, Denver, CO 80203-1784

Phone: (303) 866-3521 • Fax: (303) 866-3855

lcs.ga@state.co.us • leg.colorado.gov/lcs

Fiscal Note Memorandum

March 26, 2019

TO: Representative Kraft-Tharp

FROM: Meredith Moon, Economist
Meredith.Moon@state.co.us | (303-866-2633)

SUBJECT: Fiscal Assessment of Proposed Amendment **HB1240_L.005**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to **HB19-1240**. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

Amendment L.005 removes the June 1, 2019, start date for determining when a retailer meets the thresholds for retail sales into the state for purposes of determining economic nexus. It also moves the effective date of the bill from June 1, 2019, to October 1, 2019, for the sections of the bill impacting marketplace facilitator collections, while leaving the effective date as June 1, 2019, for in-state sourcing rule changes and out-of-state economic nexus.

Fiscal Impact of Amendment

The initial fiscal note, dated March 22, 2019, estimated that the bill reduces General Fund revenue by \$1.3 million in FY 2018-19, and increases General Fund revenue by between \$38.0 million and \$42.4 million in FY 2019-20 and by between \$54.9 million and \$65.7 million in FY 2020-21. This amendment eliminates the General Fund revenue reduction in FY 2018-19, and increases General Fund revenue by between \$2.5 million and \$4.8 million in FY 2019-20. Revenue in FY 2020-21 and subsequent years does not change. By removing the FY 2018-19 revenue reduction, the reduction in the General Fund set-aside for TABOR refunds is also eliminated.

Bill's Revised Fiscal Impact with Amendment

With Amendment L.005, the bill will increase General Fund revenue by between \$40.5 million and \$47.2 million in FY 2019-20, and by between \$54.9 million and \$65.7 million in FY 2020-21, with similar impacts in subsequent years. These amounts are shown in Table 1 below.

Table 1
State Fiscal Impacts Under Amendment L.005 to HB 19-1240

		FY 2018-19	FY 2019-20	FY 2020-21
Revenue	General Fund	-	\$40.5 million - \$47.2 million	\$54.9 million - \$65.7 million
Expenditures		-	-	-
Transfers		-	-	-
TABOR Refund		-	-	-

HB1240_L.005

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business Affairs & Labor.

HB19-1240 be amended as follows:

1 Amend printed bill, page 4, line 16, strike "FOR" and substitute
2 "BEGINNING OCTOBER 1, 2019, FOR".

3 Page 4, strike lines 18 and 19.

4 Renumber succeeding sub-subparagraphs accordingly.

5 Page 9, strike lines 3 through 27.

6 Page 10, strike lines 1 through 14 and substitute:

7 "(5.9) (a) "MARKETPLACE FACILITATOR" MEANS A PERSON WHO:

8 (I) CONTRACTS WITH A MARKETPLACE SELLER TO FACILITATE FOR
9 CONSIDERATION, REGARDLESS OF WHETHER THE CONSIDERATION IS
10 DEDUCTED AS FEES FROM THE TRANSACTION, THE SALE OF THE
11 MARKETPLACE SELLER'S TANGIBLE PERSONAL PROPERTY, COMMODITIES,
12 OR SERVICES THROUGH A MARKETPLACE;

13 (II) ENGAGES DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE
14 AFFILIATED PERSONS, IN TRANSMITTING OR OTHERWISE COMMUNICATING
15 THE OFFER AND ACCEPTANCE BETWEEN THE PURCHASER AND
16 MARKETPLACE SELLER; AND

17 (III) EITHER DIRECTLY OR INDIRECTLY, THROUGH AGREEMENTS OR
18 ARRANGEMENTS WITH THIRD PARTIES, COLLECTS THE PAYMENT FROM THE
19 PURCHASER AND TRANSMITS THE PAYMENT TO THE MARKETPLACE SELLER.

20 (b) A "MARKETPLACE FACILITATOR" DOES NOT INCLUDE A PERSON
21 THAT EXCLUSIVELY PROVIDES INTERNET ADVERTISING SERVICES OR LISTS
22 PRODUCTS FOR SALE, AND THAT DOES NOT OTHERWISE MEET THE
23 DEFINITION SET FORTH IN SUBSECTION (5.9)(a) OF THIS SECTION."

24 Page 29, line 4, strike "2019." and substitute "2019; except that section
25 39-26-102 (5.9), (6), (6.1), (6.2), (6.3) and (8), Colorado Revised Statutes,
26 as enacted in section 1 of this act, and section 4 of this act take effect
27 October 1, 2019."

** *** ** *** **