

**First Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 09-0431.02 Ed DeCecco

**HOUSE BILL 09-1068**

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**HOUSE SPONSORSHIP**

**Lambert,**

**SENATE SPONSORSHIP**

**Scheffel,**

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**House Committees**  
Finance

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING AN EXEMPTION FROM PROPERTY TAXATION FOR**  
102 **BUSINESS PERSONAL PROPERTY.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Requires the general assembly to appropriate from the general fund to the newly created business personal property tax reimbursement fund (fund) an amount of moneys for each year after a specified date that there are peak general fund appropriations.

Exempts a percentage of all business personal property tax based on the percentage of a taxpayer's out-of-state sales, and increases the exemption as the transfers to the fund increase.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

Reimburses counties, special districts, and municipalities for the decrease in property tax revenue associated with the business personal property tax exemption.

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

2           **SECTION 1.** Part 2 of article 75 of title 24, Colorado Revised  
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
4 read:

5           **24-75-219. Transfers to the business personal property tax**  
6 **reimbursement fund - definitions.** (1) AS USED IN THIS SECTION,  
7 UNLESS THE CONTEXT OTHERWISE REQUIRES:

8           (a) "PEAK GENERAL FUND APPROPRIATIONS" MEANS THAT FOR A  
9 PARTICULAR STATE FISCAL YEAR THERE ARE SUFFICIENT MONEYS IN THE  
10 GENERAL FUND TO ALLOW THE MAXIMUM AMOUNT OF GENERAL FUND  
11 APPROPRIATIONS PERMITTED BY SECTION 24-75-201.1 (1)(a), REGARDLESS  
12 OF WHETHER THE GENERAL ASSEMBLY APPROPRIATES SUCH AMOUNT.

13           (b) "UNIT OF BUSINESS PERSONAL PROPERTY TAX RELIEF" MEANS  
14 AN AMOUNT EQUAL TO SEVEN ONE-HUNDREDTHS OF ONE PERCENT OF THE  
15 GENERAL FUND APPROPRIATIONS FOR THE PRIOR STATE FISCAL YEAR.

16           (2) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER  
17 JULY 1, 2009, THE GENERAL ASSEMBLY SHALL APPROPRIATE FROM THE  
18 GENERAL FUND TO THE BUSINESS PERSONAL PROPERTY TAX  
19 REIMBURSEMENT FUND CREATED IN SECTION 39-3-118.7 (3), C.R.S., AN  
20 AMOUNT EQUAL TO ONE UNIT OF BUSINESS PERSONAL PROPERTY TAX  
21 RELIEF FOR EACH STATE FISCAL YEAR AFTER JUNE 30, 2009, INCLUDING  
22 THE CURRENT YEAR, THAT HAS PEAK GENERAL FUND APPROPRIATIONS;  
23 EXCEPT THAT THE MAXIMUM NUMBER OF UNITS SHALL BE EIGHT.

24           **SECTION 2.** Part 1 of article 3 of title 39, Colorado Revised

1 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
2 read:

3 **39-3-118.7. Exemption for business personal property -**  
4 **percentage of out-of-state sales - business personal property tax**  
5 **reimbursement fund - creation - definitions.** (1) AS USED IN THIS  
6 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 (a) "FUND" MEANS THE BUSINESS PERSONAL PROPERTY TAX  
8 REIMBURSEMENT FUND CREATED IN SUBSECTION (3) OF THIS SECTION.

9 (b) "PEAK GENERAL FUND APPROPRIATIONS" SHALL HAVE THE  
10 SAME MEANING AS SET FORTH IN SECTION 24-75-219 (1) (a), C.R.S.

11 (c) "UNIT OF BUSINESS PERSONAL PROPERTY TAX RELIEF" SHALL  
12 HAVE THE SAME MEANING AS SET FORTH IN SECTION 24-75-219 (1) (b),  
13 C.R.S.

14 (2) (a) BEGINNING WITH THE FIRST PROPERTY TAX YEAR AFTER A  
15 STATE FISCAL YEAR IN WHICH THERE WERE PEAK GENERAL FUND  
16 APPROPRIATIONS, A PERCENTAGE OF BUSINESS PERSONAL PROPERTY SHALL  
17 BE EXEMPT FROM THE LEVY AND COLLECTION OF PROPERTY TAX. THE  
18 PERCENTAGE THAT APPLIES FOR EACH TAXPAYER SHALL BE DETERMINED  
19 BY MULTIPLYING THE BACKFILL PERCENTAGE BY THE PERCENTAGE OF  
20 OUT-OF-STATE SALES.

21 (b) THE BACKFILL PERCENTAGE FOR ALL BUSINESS PERSONAL  
22 PROPERTY TAXPAYERS FOR A GIVEN PROPERTY TAX YEAR SHALL BE THE  
23 PERCENTAGE THAT IS EQUAL TO THE NUMBER OF UNITS OF BUSINESS  
24 PERSONAL PROPERTY TAX RELIEF THAT WERE TRANSFERRED TO THE  
25 BUSINESS PERSONAL PROPERTY TAX REIMBURSEMENT FUND IN THE PRIOR  
26 STATE FISCAL YEAR DIVIDED BY EIGHT.

27 (c) THE PERCENTAGE OF OUT-OF-STATE SALES FOR A PARTICULAR

1 TAXPAYER FOR A GIVEN PROPERTY TAX YEAR SHALL BE THE PERCENTAGE  
2 THAT IS EQUAL TO ONE MINUS THE FRACTION SET FORTH IN SECTION  
3 39-22-303.5 (4) (a) THAT THE TAXPAYER USED TO APPORTION BUSINESS  
4 INCOME FOR THE MOST RECENT INCOME TAX YEAR.

5 (3) THE BUSINESS PERSONAL PROPERTY TAX REIMBURSEMENT  
6 FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND SHALL  
7 CONSIST OF ALL MONEYS THAT ARE APPROPRIATED TO THE FUND  
8 PURSUANT TO SECTION 24-75-219 (2), C.R.S., AND ANY OTHER MONEYS  
9 THAT THE GENERAL ASSEMBLY TRANSFERS OR APPROPRIATES THERETO.  
10 THE MONEYS IN THE FUND SHALL BE CONTINUOUSLY APPROPRIATED FOR  
11 THE PURPOSE OF REIMBURSING COUNTIES, SPECIAL DISTRICTS, AND  
12 MUNICIPALITIES FOR REVENUE LOST FROM THE BUSINESS PERSONAL  
13 PROPERTY TAX EXEMPTION IN ACCORDANCE WITH SUBSECTION (4) OF THIS  
14 SECTION. INTEREST AND INCOME EARNED ON THE DEPOSIT AND  
15 INVESTMENT OF MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND,  
16 AND ANY UNAPPROPRIATED AND UNEXPENDED MONEYS IN THE FUND  
17 SHALL REMAIN IN THE FUND AND SHALL NOT BE TRANSFERRED OR REVERT  
18 TO THE STATE GENERAL FUND AT THE END OF ANY FISCAL YEAR.

19 (4) (a) NO LATER THAN JUNE 1 OF EACH YEAR, A COUNTY  
20 TREASURER SHALL CALCULATE THE TOTAL DECREASE IN REVENUE FOR THE  
21 COUNTY AND ANY SPECIAL DISTRICTS OR MUNICIPALITIES LOCATED WITHIN  
22 THE COUNTY THAT WAS DUE TO THE EXEMPTION ESTABLISHED BY THIS  
23 SECTION AND CERTIFY SUCH AMOUNT TO THE STATE TREASURER. TO THE  
24 EXTENT THAT A TAXPAYER ELECTS TO PAY THE PROPERTY TAXES IN TWO  
25 EQUAL INSTALLMENTS, FOR PURPOSES OF DETERMINING THE REVENUE  
26 DECREASE, THE COUNTY TREASURER SHALL ESTIMATE LOST REVENUE  
27 BASED ON THE FIRST PAYMENT. IF A COUNTY TREASURER FAILS TO

1 CERTIFY AN AMOUNT BY JUNE 1, THE COUNTY AND ALL LOCAL  
2 GOVERNMENTS SHALL BE PROHIBITED FROM RECEIVING REIMBURSEMENT  
3 FROM THE STATE, BUT THE MUNICIPALITIES AND SPECIAL DISTRICTS SHALL  
4 BE ENTITLED TO REIMBURSEMENT FROM THE COUNTY IN WHICH THEY ARE  
5 LOCATED.

6 (b) NO LATER THAN JUNE 30 OF EACH YEAR, THE STATE  
7 TREASURER SHALL REIMBURSE A COUNTY FROM MONEYS IN THE FUND. IF  
8 THE AMOUNT OF MONEYS IN THE FUND IS LESS THAN THE STATEWIDE  
9 REIMBURSEMENT AMOUNT, THE STATE TREASURER SHALL PRORATE THE  
10 AVAILABLE FUNDS AMONG ALL COUNTIES. THE COUNTY TREASURER  
11 SHALL APPORTION, CREDIT, OR DISTRIBUTE ANY MONEYS RECEIVED FROM  
12 THE STATE TREASURER TO THE COUNTY AND THE SPECIAL DISTRICTS AND  
13 MUNICIPALITIES LOCATED WITHIN THE COUNTY.

14 **SECTION 3. Act subject to petition - effective date.** This act  
15 shall take effect at 12:01 a.m. on the day following the expiration of the  
16 ninety-day period after final adjournment of the general assembly that is  
17 allowed for submitting a referendum petition pursuant to article V,  
18 section 1 (3) of the state constitution, (August 4, 2009, if adjournment  
19 sine die is on May 6, 2009); except that, if a referendum petition is filed  
20 against this act or an item, section, or part of this act within such period,  
21 then the act, item, section, or part, if approved by the people, shall take  
22 effect on the date of the official declaration of the vote thereon by  
23 proclamation of the governor.