

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 11-0976.01 Troy Bratton

SENATE BILL 11-223

SENATE SPONSORSHIP

Hodge, Steadman, Lambert

HOUSE SPONSORSHIP

Gerou,

Senate Committees
Appropriations

House Committees
Appropriations

A BILL FOR AN ACT

101 CONCERNING STATE SALES TAX REVENUES RETAINED BY A VENDOR AS
102 COMPENSATION FOR EXPENSES INCURRED BY THE VENDOR IN
103 THE COLLECTION AND REMITTANCE OF SUCH TAX REVENUES TO
104 THE STATE, AND MAKING AN APPROPRIATION THEREFOR.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

A retail vendor is normally allowed to retain three and one-third percent of the state sales taxes collected by the vendor to compensate for

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.

HOUSE
2nd Reading Unam ended
April 13, 2011

SENATE
3rd Reading Unam ended
April 11, 2011

SENATE
Am ended 2nd Reading
April 8, 2011

the vendor's expenses incurred in collecting and remitting such tax (vendor fee). The vendor fee was suspended on July 1, 2009, and is currently set to resume on July 1, 2011. When the vendor fee resumes, the bill reduces the amount of the fee to 2.22% of the sales taxes collected until July 1, 2014, at which point it would return to the full three and one-third percent.

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

2 **SECTION 1.** 39-26-105 (1), Colorado Revised Statutes, is
3 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

4 **39-26-105. Vendor liable for tax - repeal.**

5 (1) (g) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
6 THE AMOUNT RETAINED BY A VENDOR TO COVER THE VENDOR'S EXPENSE
7 IN COLLECTING AND REMITTING TAX PURSUANT TO THIS SECTION SHALL
8 NOT EXCEED AN AMOUNT EQUAL TO TWO AND TWENTY-TWO
9 ONE-HUNDREDTHS PERCENT OF ALL SALES TAX REPORTED ON ANY RETURN
10 MADE ON OR AFTER JULY 1, 2011, BUT PRIOR TO JULY 1, 2014.

11 (II) THIS PARAGRAPH (g) IS REPEALED, EFFECTIVE DECEMBER 31,
12 2016.

13 **SECTION 2.** The appropriation to the department of revenue for
14 the fiscal year beginning July 1, 2010, as enacted in Part XIX (2), (4) (C),
15 and the affected totals of section 2 of chapter 453, Session Laws of
16 Colorado 2010 (HB 10-1376), as amended by section 1 of Senate Bill
17 11-152, are amended to read:

18 **Section 2. Appropriation.**

APPROPRIATION FROM

	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
	\$	\$	\$	\$	\$	\$	\$

PART XIX

DEPARTMENT OF REVENUE

(2) CENTRAL DEPARTMENT OPERATIONS DIVISION

<u>Personal Services</u>	<u>5,165,192</u>		<u>4,766,781</u>		<u>315,606^a</u>	<u>82,805^b</u>	
	<u>(102.0 FTE)</u>						
<u>Seasonal Tax Processing</u>	<u>397,545</u>		<u>397,545</u>				
<u>Operating Expenses</u>	<u>1,191,888</u>		<u>1,055,001</u>		<u>136,887^c</u>		
<u>Postage</u>	<u>2,902,699</u>		<u>2,639,800</u>		<u>262,899^d</u>		
	<u>2,972,082</u>		<u>2,709,183</u>				
<u>Pueblo Data Entry Center</u>							
<u>Payments</u>	<u>1,879,728</u>		<u>1,875,719</u>		<u>4,009^e</u>		
<u>Document Imaging and</u>							
<u>Storage</u>	<u>394,290</u>		<u>394,290</u>				
	<hr/>						
		<u>11,931,342</u>					

APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

12,000,725

^a This amount shall be from the following funds for the purpose of indirect cost recoveries: \$97,786 shall be from the Highway Users Tax Fund pursuant to Section 43-4-201 (3) (a) (III) (C), C.R.S., \$62,970 shall be from the Colorado State Titling and Registration Account, a subaccount of the Highway Users Tax Fund, created in Section 42-1-211 (2), C.R.S., \$46,161 shall be from the Licensing Services Cash Fund created in Section 42-2-114.5 (1), C.R.S., \$29,873 shall be from the Driver's License Administrative Revocation Account, a subaccount of the Highway Users Tax Fund, created in Section 42-2-132 (4) (b) (I) (A), C.R.S., \$24,648 shall be from the Auto Dealers License Fund created in Section 12-6-123 (1), C.R.S., \$18,290 shall be from the Liquor Enforcement Division and State Licensing Authority Cash Fund created in Section 24-35-401, C.R.S., \$13,500 shall be from the Department of Revenue Subaccount of the Automobile Inspection and Readjustment Account of the Highway Users Tax Fund created in Section 42-3-304 (18) (c), C.R.S., \$10,190 shall be from the Racing Cash Fund created in Section 12-60-205 (1), C.R.S., \$4,702 shall be from the First Time Drunk Driving Offender Account of the Highway Users Tax Fund created in Section 42-2-132 (4) (b) (II) (A), C.R.S., \$3,571 shall be from the Outstanding Judgments and Warrants Account as administered under the provisions of Section 42-2-118 (3) (c), C.R.S., \$1,307 shall be from the Highway Users Tax Fund exempt from the statutory limit pursuant to Section 43-4-201 (3) (a) (V), C.R.S., \$1,220 shall be from the Penalty Assessment Account as administered under the provisions of Section 42-1-217 (2), C.R.S., \$871 shall be from the Motorist Insurance Identification Account, a subaccount of the Highway Users Tax Fund, created in Section 42-3-304 (18) (d) (I), C.R.S., \$412 shall be from the Aviation Fund created in Section 43-10-109 (1), C.R.S., and \$105 shall be from the Waste Tire Recycling Development Cash Fund created in Section 25-17-202 (3) (a), C.R.S.

^b This amount shall be from the Limited Gaming Fund created in Section 12-47.1-701 (1), C.R.S.

APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

1 Of this amount, \$86,945 shall be from the Identification Security Fund, a subaccount of the Highway Users Tax Fund, created in Section 42-1-220 (1), C.R.S., and \$49,942 shall be
 2 from the Outstanding Judgments and Warrants Account as administered under the provisions of Section 42-2-118 (3) (c), C.R.S.

3 Of this amount, \$13,909 shall be from the Highway Users Tax Fund pursuant to Section 43-4-201 (3) (a) (III) (C), C.R.S., and \$248,990 shall be from various sources of cash funds.

4 This amount shall be from various sources of cash funds.

5

6 **(4) TAXATION BUSINESS GROUP**

7 **(C) Taxpayer Service Division**

<u>Personal Services</u>	<u>4,638,705</u>		<u>4,548,101</u>		<u>90,604^a</u>	
=	<u>(80.4 FTE)</u>					
<u>Operating Expenses</u>	<u>402,035</u>		<u>401,535</u>		<u>500^b</u>	
	<u>461,348</u>		<u>460,848</u>			
<u>Fuel Tracking System</u>	<u>485,386</u>				<u>485,386^c</u>	
					<u>(1.5 FTE)</u>	
	<u>5,526,126</u>					
	<u>5,585,439</u>					

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Of this amount, \$70,399 shall be from the Private Letter Ruling Fund created in Section 24-35-103.5 (6), C.R.S., and \$20,205 shall be from the Aviation Fund created in Section 43-10-109 (1), C.R.S.

This amount shall be from the Private Letter Ruling Fund created in Section 24-35-103.5 (6), C.R.S.

This amount shall be from the Highway Users Tax Fund exempt from the statutory limit pursuant to Section 43-4-201 (3) (a) (V), C.R.S.

TOTALS PART XIX

<u>(REVENUE)</u>	<u>\$716,432,437</u>	<u>\$90,145,719</u>		<u>\$623,308,693</u>	<u>\$1,494,825</u>	<u>\$1,483,200</u>
	<u>\$716,561,133</u>	<u>\$90,274,415</u>				

Of this amount, \$19,500,000 is included as information for the purpose of complying with the limitation on state fiscal year spending imposed by Article X, Section 20 of the State Constitution. These amounts are continuously appropriated by a permanent statute or constitutional provision, and shall not be deemed to be an appropriation subject to the limitations of Section 24-75-201.1, C.R.S.

Of this amount, \$10,815,405 is from the Highway Users Tax Fund pursuant to Section 43-4-201 (3) (a) (III) (C), C.R.S., and \$495,330 is from the Highway Users Tax Fund exempt from the statutory limit pursuant to Section 43-4-201 (3) (a) (V), C.R.S.

1 **SECTION 3. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, and safety.