

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

REVISED

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

LLS NO. 13-0490.02 Esther van Mourik x4215

HOUSE BILL 13-1295

HOUSE SPONSORSHIP

Ferrandino, Court, Hullinghorst, Levy, Pabon

SENATE SPONSORSHIP

Heath,

House Committees

Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE IMPLEMENTATION OF THE MINIMUM**
102 **SIMPLIFICATION REQUIREMENTS OF THE PROPOSED FEDERAL**
103 **"MARKETPLACE FAIRNESS ACT OF 2013" IN ORDER FOR THE**
104 **STATE TO BE AUTHORIZED BY THE FEDERAL GOVERNMENT TO**
105 **REQUIRE REMOTE SELLERS TO COLLECT SALES TAX ON TAXABLE**
106 **SALES MADE WITHIN THE STATE.**

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>.)

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.*

SENATE
Amended 2nd Reading
May 3, 2013

HOUSE
3rd Reading Unamended
April 26, 2013

HOUSE
Amended 2nd Reading
April 25, 2013

The 113th Congress is considering legislation, cited as the "Marketplace Fairness Act of 2013" (federal act) that, if enacted, grants states the authority to compel certain out-of-state retailers with gross annual receipts in total remote sales of more than \$1,000,000 (remote sellers) to collect and remit sales tax on behalf of the state and local taxing jurisdictions at the time of a transaction when the item purchased will be delivered in the state. Local retailers are already required to collect sales tax on behalf of the state and local taxing jurisdictions at the time of a local transaction. The federal act specifies that states are only granted this authority after certain minimum simplification requirements are met. The bill meets those minimum simplification requirements by:

- ! Establishing remote sales as a part of existing sales tax law;
- ! Specifying that only the state's sales tax base, not a local sales tax base, will apply to all remote sales;
- ! Requiring that the department of revenue be responsible for all state and local sales tax administration, return processing, including the establishment of a single form for returns, and audits for remote sales;
- ! Establishing the sourcing definition provided in the federal act in order to properly source all interstate sales to the state;
- ! Requiring the department of revenue to provide information to remote sellers that indicates the taxability of products and services along with any product and service exemptions from sales tax in the state;
- ! Requiring the department of revenue to provide remote sellers a sales tax rate database and a database of local taxing jurisdiction boundaries;
- ! Requiring the department of revenue to provide, or to contract with certified software providers to provide on its behalf, software to remote sellers, free of charge, that calculates sales taxes due on each transaction at the time the transaction is completed, files sales tax returns, and updates to reflect any tax rate changes for the state or any local taxing jurisdiction; and
- ! Providing the required relief of liability to remote sellers for errors.

The bill allows local taxing jurisdictions governed by a home rule charter to opt in by passing an ordinance or resolution accepting the state's administration and distribution of its local sales tax on remote sales that is collected and remitted by remote sellers in conformance with the provisions of the bill.

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

1 **SECTION 1. Legislative declaration.** (1) The general assembly
2 hereby finds and declares that:

3 (a) It is established in the state's constitution that local taxing
4 jurisdictions governed by a home rule charter generally have the authority
5 to regulate taxation within their jurisdiction; and

6 (b) It is therefore the general assembly's intent to allow local
7 taxing jurisdictions governed by a home rule charter to opt into this act by
8 passing an ordinance or resolution accepting the state's administration and
9 distribution of its local sales tax on remote sales that is collected and
10 remitted by remote sellers in conformance with the provisions of House
11 **Bill 13-1295.**

12 **SECTION 2.** In Colorado Revised Statutes, 39-26-102, **amend**
13 (5.7), (8), and (9); and **add** (5.6), (7.6), and (7.7) as follows:

14 **39-26-102. Definitions.** As used in this article, unless the context
15 otherwise requires:


16 (5.6) "LIVESTOCK PRODUCTION FACILITY" MEANS ANY STRUCTURE
17 USED PREDOMINATELY FOR THE HOUSING, CONTAINING, SHELTERING, OR
18 FEEDING OF LIVESTOCK, INCLUDING, WITHOUT LIMITATION, BARNs,
19 CORRALS, FEEDLOTS, AND SWINE HOUSES.

20 (5.7) (a) ~~"Livestock production facility" means any structure used~~
21 ~~predominantly for the housing, containing, sheltering, or feeding of~~
22 ~~livestock, including, without limitation, barns, corrals, feedlots, and swine~~
23 ~~houses~~ "LOCAL TAXING JURISDICTION" MEANS A CITY, TOWN,
24 MUNICIPALITY, COUNTY, SPECIAL DISTRICT, OR AUTHORITY AUTHORIZED
25 TO LEVY A SALES TAX PURSUANT TO TITLE 24, 25, 29, 30, 31, 32, 37, 42, OR
26 43, C.R.S., AND ANY MUNICIPALITY GOVERNED BY A HOME RULE CHARTER
27 THAT PASSES AN ORDINANCE, RESOLUTION, OR CHARTER PROVISION

1 ACCEPTING THE STATE'S ADMINISTRATION AND DISTRIBUTION OF ITS
2 LOCAL SALES TAX ON REMOTE SALES THAT IS COLLECTED AND REMITTED
3 BY REMOTE SELLERS IN CONFORMANCE WITH THE PROVISIONS OF HOUSE
4 BILL 13-1295.

5 (b) ANY MUNICIPALITY GOVERNED BY A HOME RULE CHARTER
6 THAT PASSES AN ORDINANCE, RESOLUTION, OR CHARTER PROVISION
7 ACCEPTING THE STATE'S ADMINISTRATION AND DISTRIBUTION OF ITS
8 LOCAL SALES TAX ON REMOTE SALES THAT IS COLLECTED AND REMITTED
9 BY REMOTE SELLERS IN CONFORMANCE WITH THE PROVISIONS OF HOUSE
10 BILL 13-1295 MUST PROVIDE A COPY OF SUCH ORDINANCE, RESOLUTION,
11 OR CHARTER PROVISION TO THE DEPARTMENT OF REVENUE NO LATER THAN
12 THIRTY DAYS AFTER ITS ADOPTION.

13 (7.6) "REMOTE SALE" MEANS A SALE INTO THIS STATE AS SPECIFIED
14 IN SUBSECTION (9) OF THIS SECTION IN WHICH THE RETAILER WOULD NOT
15 LEGALLY BE REQUIRED TO PAY, COLLECT, OR REMIT STATE OR LOCAL
16 SALES TAXES UNLESS PROVIDED BY AN ACT OF CONGRESS.

17 
18 (7.7) "REMOTE SELLER" MEANS A PERSON WHO MAKES A REMOTE
19 SALE; EXCEPT THAT A REMOTE SELLER DOES NOT INCLUDE A SMALL
20 SELLER AS DEFINED IN AN ACT OF CONGRESS THAT AUTHORIZES STATES TO
21 REQUIRE CERTAIN RETAILERS TO PAY, COLLECT, OR REMIT STATE OR LOCAL
22 SALES TAXES.

23 (8) "Retailer" or "vendor" means a person doing business in this
24 state, INCLUDING A REMOTE SELLER, known to the trade and public as
25 such, and selling to the user or consumer, and not for resale.

26 (9) "Retail sale" includes all sales made within the state except
27 wholesale sales. FOR ITEMS DELIVERED BY THE RETAILER, A RETAIL SALE

1 IS MADE AT THE LOCATION WHERE THE ITEM SOLD IS RECEIVED BY THE
2 PURCHASER, BASED ON THE LOCATION INDICATED BY INSTRUCTIONS FOR
3 DELIVERY THAT THE PURCHASER FURNISHES TO THE RETAILER. WHEN NO
4 DELIVERY LOCATION IS SPECIFIED, THE REMOTE SALE IS SOURCED TO THE
5 CUSTOMER'S ADDRESS THAT IS EITHER KNOWN TO THE RETAILER OR, IF NOT
6 KNOWN, OBTAINED BY THE RETAILER DURING THE CONSUMMATION OF THE
7 TRANSACTION, INCLUDING THE ADDRESS OF THE CUSTOMER'S PAYMENT
8 INSTRUMENT IF NO OTHER ADDRESS IS AVAILABLE. IF AN ADDRESS IS
9 UNKNOWN AND A BILLING ADDRESS CANNOT BE OBTAINED, THE REMOTE
10 SALE IS SOURCED TO THE ADDRESS OF THE RETAILER FROM WHICH THE
11 REMOTE SALE WAS MADE.

12 **SECTION 3.** In Colorado Revised Statutes, 39-26-103, **amend**
13 (1) (c), (2), (4), and (7) as follows:

14 **39-26-103. Licenses - fee - revocation.** (1) (c) For each license
15 issued, a fee of sixteen dollars shall be paid, which fee shall accompany
16 the application together with an additional fifty-dollar deposit; EXCEPT
17 THAT THE ADDITIONAL DEPOSIT MAY NOT BE REQUIRED OF A REMOTE
18 SELLER. A further fee of sixteen dollars shall be paid for each two-year
19 period or fraction thereof for which said license is renewed. Payment of
20 a fee for such a license issued after June 30 shall be prorated in
21 increments of six months. The fifty-dollar deposit shall be allowed as a
22 credit against the Colorado sales tax to be remitted. Except for licenses
23 issued pursuant to paragraph (b) of subsection (9) of this section, all
24 licenses issued pursuant to this section shall be renewed on a biennial
25 basis, effective January 1, 1986.

26 (2) (a) ~~In case business is transacted~~ IF A RETAILER MAKES RETAIL
27 SALES at two or more separate places ~~by one person~~ OF BUSINESS IN THE

1 STATE, a separate license for each place of business shall be required.

2 (b) A REMOTE SELLER IS ONLY REQUIRED TO HAVE A SINGLE
3 LICENSE.

4 (4) The executive director OF THE DEPARTMENT OF REVENUE, after
5 reasonable notice and a full hearing, may revoke the license of any person
6 found by him or her to have violated any provision of this article. Any
7 ~~person engaged in the business of selling at retail in this state~~ RETAILER
8 WHO MAKES RETAIL SALES without securing a license therefor commits a
9 class 3 misdemeanor and shall be punished according to section
10 18-1.3-501, C.R.S. Any ~~person~~ RETAILER who ~~engages in the business of~~
11 ~~selling at retail in this state~~ MAKES RETAIL SALES without a license may
12 also be subject to a civil penalty of fifty dollars per day to a maximum
13 penalty of one thousand dollars. Such penalty shall be assessed by the
14 executive director or his or her authorized agent and shall be waived or
15 reduced if such failure to obtain such license is due to reasonable cause
16 and not willful neglect or intent to defraud.

17 (7) It is the duty of the executive director OF THE DEPARTMENT OF
18 REVENUE, at the time of issuance of any new license ~~for the business of~~
19 ~~selling at retail under this part 1~~, FOR A RETAILER WHO MAKES RETAIL
20 SALES, EXCEPT FOR A REMOTE SELLER, to notify the county treasurer of the
21 county where the new licensee is located, of the name and address of the
22 licensee.

23 **SECTION 4.** In Colorado Revised Statutes, 39-26-104, **amend**
24 (1) introductory portion; and **add** (2) as follows:

25 **39-26-104. Property and services taxed.** (1) EXCEPT AS
26 PROVIDED IN SUBSECTION (2), there is levied and there shall be collected
27 and paid a tax in the amount stated in section 39-26-106 as follows:

1 (2) UPON THE EFFECTIVE DATE OF AN ACT OF CONGRESS THAT
2 AUTHORIZES STATES TO REQUIRE CERTAIN RETAILERS TO PAY, COLLECT,
3 OR REMIT STATE OR LOCAL SALES TAXES:

4 (a) (I) WITH RESPECT TO REMOTE SALES THERE IS LEVIED AND
5 THERE SHALL BE COLLECTED AND PAID BY REMOTE SELLERS ON EVERY
6 INCIDENT SUBJECT TO TAX AS SET FORTH IN SUBSECTION (1) OF THIS
7 SECTION, BUT NOT INCLUDING THE INCIDENTS SET FORTH IN PARAGRAPH
8 (e) OF THIS SUBSECTION (2), A TAX AT THE RATE SPECIFIED IN SECTION
9 39-26-106. ANY EXEMPTIONS WITH RESPECT TO PART 1 OF THIS ARTICLE
10 AS SET FORTH IN THIS TITLE ARE APPLICABLE.

11 (II) IN ADDITION TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a),
12 EVERY REMOTE SELLER SHALL COLLECT AND REMIT, AS PROVIDED IN
13 SECTION 39-26-122.7, THE SALES TAX AT THE GENERAL SALES TAX RATE
14 LEVIED BY A LOCAL TAXING JURISDICTION; EXCEPT THAT SUCH SALES TAX
15 SHALL ONLY BE COLLECTED ON EVERY INCIDENT SUBJECT TO TAX AS SET
16 FORTH IN SUBSECTION (1) OF THIS SECTION. ANY EXEMPTIONS WITH
17 RESPECT TO PART 1 OF THIS ARTICLE AS SET FORTH IN THIS TITLE ARE
18 APPLICABLE.

19 (b) NOTWITHSTANDING ANY PROVISION OF LAW, A LOCAL TAXING
20 JURISDICTION MAY NOT COLLECT A SALES OR USE TAX ON REMOTE SALES
21 EXCEPT AS PROVIDED IN THIS SUBSECTION (2).

22 (c) NOTWITHSTANDING ANY PROVISION OF LAW, WITH RESPECT TO
23 A LOCAL TAXING JURISDICTION, THE EFFECTIVE DATE OF ANY CHANGE IN
24 THE GENERAL SALES TAX RATE OF THE LOCAL TAXING JURISDICTION SHALL
25 BE EITHER JANUARY 1 OR JULY 1 FOLLOWING THE DATE OF THE ELECTION
26 IN WHICH SUCH A SALES TAX PROPOSAL IS APPROVED; AND NOTICE OF THE
27 ADOPTION OF ANY SALES TAX PROPOSAL SHALL BE SUBMITTED BY THE

1 LOCAL TAXING JURISDICTION TO THE EXECUTIVE DIRECTOR OF THE
2 DEPARTMENT OF REVENUE AT LEAST ONE HUNDRED DAYS PRIOR TO THE
3 EFFECTIVE DATE OF SUCH TAX. IF SUCH A SALES TAX PROPOSAL IS
4 APPROVED AT AN ELECTION HELD LESS THAN ONE HUNDRED FIVE DAYS
5 PRIOR TO THE JANUARY 1 OR JULY 1 FOLLOWING THE DATE OF ELECTION,
6 SUCH SALES TAX PROPOSAL SHALL NOT BE EFFECTIVE UNTIL THE NEXT
7 SUCCEEDING JANUARY 1 OR JULY 1.

8 (d) FOR THE PURPOSE OF THE ADMINISTRATION BY THE STATE OF
9 THE PROVISIONS OF THIS SUBSECTION (2), EACH LOCAL TAXING
10 JURISDICTION SHALL FILE, PURSUANT TO SECTION 29-2-109, C.R.S., WITH
11 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE A COPY OF
12 EACH SALES TAX ORDINANCE OR RESOLUTION, OR ANY AMENDMENT
13 THERETO, THAT CHANGES THE GENERAL SALES TAX RATE DESCRIBED IN
14 PARAGRAPH (a) OF THIS SUBSECTION (2), AND A COPY OF ANY ORDINANCE
15 OR RESOLUTION THAT CHANGES THE LOCAL TAXING JURISDICTION'S
16 BOUNDARIES, NO LATER THAN ONE HUNDRED DAYS BEFORE THE EFFECTIVE
17 DATE THEREOF.

18 (e) NOTWITHSTANDING ANY PROVISIONS OF LAW, THE FOLLOWING
19 INCIDENTS ARE NOT SUBJECT TO THE COLLECTION AND PAYMENT OF SALES
20 TAX BY REMOTE SELLERS AS SET FORTH IN PARAGRAPH (a) OF THIS
21 SUBSECTION (2):

22 (I) DIRECT MAIL ADVERTISING MATERIALS AS DEFINED IN SECTION
23 39-26-102 (2.8);

24 (II) CANDY AS DEFINED IN SECTION 39-26-707 (1.5) (b) (I);

25 (III) SOFT DRINKS AS DEFINED IN SECTION 39-26-707 (1.5) (b) (II);

26 (IV) NONESSENTIAL ARTICLES AS DESCRIBED IN SECTION
27 39-26-707 (1) (c); AND

1 (V) NONESSENTIAL CONTAINERS OR BAGS AS DESCRIBED IN
2 SECTION 39-26-707 (1) (d).

3 **SECTION 5.** In Colorado Revised Statutes, **repeal and reenact,**
4 **with amendments,** 39-26-105 as follows:

5 **39-26-105. Vendor liable for tax - repeal.** (1) (a) (I) (A) EXCEPT
6 AS PROVIDED IN SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (I) AND
7 IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (a), EVERY RETAILER SHALL,
8 IRRESPECTIVE OF THE PROVISIONS OF SECTION 39-26-106, BE LIABLE AND
9 RESPONSIBLE FOR THE PAYMENT OF AN AMOUNT EQUIVALENT TO TWO AND
10 NINETY ONE-HUNDREDTHS PERCENT OF ALL SALES MADE ON OR AFTER
11 JANUARY 1, 2001, BY THE RETAILER OF COMMODITIES OR SERVICES AS
12 SPECIFIED IN SECTION 39-26-104.

13 (B) A RETAILER WHO HAS RECEIVED IN GOOD FAITH FROM A
14 QUALIFIED PURCHASER A DIRECT PAYMENT PERMIT NUMBER ISSUED
15 PURSUANT TO SECTION 39-26-103.5 SHALL NOT BE LIABLE OR RESPONSIBLE
16 FOR THE COLLECTION AND REMITTANCE OF THE TAX IMPOSED BY THIS
17 ARTICLE ON ANY SALE MADE TO THE QUALIFIED PURCHASER THAT IS PAID
18 FOR DIRECTLY FROM SUCH QUALIFIED PURCHASER'S FUNDS AND NOT THE
19 PERSONAL FUNDS OF ANY INDIVIDUAL.

20 (II) A REMOTE SELLER SHALL BE LIABLE AND RESPONSIBLE FOR
21 THE PAYMENT OF THE AMOUNTS SPECIFIED IN SECTION 39-26-104 (2) (a).

22 (b) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
23 PARAGRAPH (b), EVERY RETAILER SHALL, BEFORE THE TWENTIETH DAY OF
24 EACH MONTH, MAKE A RETURN TO THE EXECUTIVE DIRECTOR OF THE
25 DEPARTMENT OF REVENUE FOR THE PRECEDING CALENDAR MONTH. THE
26 EXECUTIVE DIRECTOR SHALL DETERMINE WHAT INFORMATION THE
27 RETURNS MUST CONTAIN, HOW THE RETURNS MUST BE MADE, AND THE

1 TYPE OF FORMS THAT MUST BE USED.

2 (II) EVERY REMOTE SELLER SHALL MAKE A RETURN TO THE
3 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE AS SPECIFIED IN
4 SECTION 39-26-122.7.

5 (c) (I) (A) EXCEPT AS PROVIDED IN SUB-SUBPARAGRAPH (B) OF
6 THIS SUBPARAGRAPH (I), EVERY RETAILER SHALL REMIT, ALONG WITH THE
7 RETURN REQUIRED IN PARAGRAPH (b) OF THIS SUBSECTION (1), AN
8 AMOUNT EQUIVALENT TO THE PERCENTAGE ON SALES AS SPECIFIED IN
9 SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS SUBSECTION (1) TO THE
10 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE, LESS AN AMOUNT
11 AS SET FORTH IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (c) TO COVER
12 THE RETAILER'S EXPENSE IN THE COLLECTION AND REMITTANCE OF SAID
13 TAX.

14 (B) EVERY REMOTE SELLER SHALL REMIT, ALONG WITH THE
15 RETURN REQUIRED IN PARAGRAPH (b) OF THIS SUBSECTION (1), THE
16 AMOUNTS SPECIFIED IN SECTION 39-26-104 (2) (a), LESS AN AMOUNT AS
17 SET FORTH IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (c) TO COVER THE
18 RETAILER'S EXPENSE IN THE COLLECTION AND REMITTANCE OF SAID TAX.

19 (II) EXCEPT AS PROVIDED IN SECTION 39-26-105.3 (8) (b) (III):

20 (A) EXCEPT AS PROVIDED IN SUB-SUBPARAGRAPH (B), THE
21 AMOUNT RETAINED BY A RETAILER TO COVER THE RETAILER'S EXPENSE IN
22 COLLECTING AND REMITTING TAX PURSUANT TO THIS SECTION SHALL BE
23 THREE AND ONE-THIRD PERCENT OF ALL SALES TAX REPORTED.

24 (B) FOR A TWELVE-MONTH PERIOD COMMENCING UPON THE FIRST
25 DAY OF THE THIRD MONTH FOLLOWING THE EFFECTIVE DATE OF ANY ACT
26 OF CONGRESS AUTHORIZING STATES TO REQUIRE CERTAIN RETAILERS TO
27 PAY, COLLECT, OR REMIT STATE OR LOCAL SALES TAX, THE PERCENTAGE

1 OF ALL SALES TAX REPORTED AS SPECIFIED IN SUB-SUBPARAGRAPH (A) OF
2 THIS SUBPARAGRAPH (II) SHALL BE REDUCED BY ONE HUNDRED FIVE
3 ONE-THOUSANDTHS PERCENTAGE POINTS.

4 (III) IF ANY RETAILER IS DELINQUENT IN REMITTING SAID TAX,
5 OTHER THAN IN UNUSUAL CIRCUMSTANCES SHOWN TO THE SATISFACTION
6 OF THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE, THE
7 RETAILER SHALL NOT BE ALLOWED TO RETAIN ANY AMOUNTS TO COVER
8 SUCH RETAILER'S EXPENSE IN COLLECTING AND REMITTING SAID TAX, AND
9 AN AMOUNT EQUIVALENT TO THE SAID PERCENTAGE, PLUS THE AMOUNT
10 OF ANY LOCAL VENDOR EXPENSE THAT MAY BE ALLOWED BY THE LOCAL
11 GOVERNMENT TO THE VENDOR, SHALL BE REMITTED TO THE EXECUTIVE
12 DIRECTOR BY ANY SUCH DELINQUENT VENDOR. ANY LOCAL VENDOR
13 EXPENSE REMITTED TO THE EXECUTIVE DIRECTOR SHALL BE DEPOSITED TO
14 THE STATE GENERAL FUND.

15 (2) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE
16 MAY EXTEND THE TIME FOR MAKING A RETURN AND PAYING THE TAXES
17 DUE UNDER SUCH REASONABLE RULES AS THE EXECUTIVE DIRECTOR MAY
18 PRESCRIBE, BUT NO SUCH EXTENSION SHALL BE FOR A GREATER PERIOD
19 THAN IS PROVIDED FOR IN SECTION 39-26-109.

20 (3) THE BURDEN OF PROVING THAT ANY RETAILER IS EXEMPT FROM
21 COLLECTING THE TAX ON ANY GOODS SOLD AND PAYING THE SAME TO THE
22 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE, OR FROM
23 MAKING SUCH RETURNS, SHALL BE ON THE RETAILER UNDER SUCH
24 REASONABLE REQUIREMENTS OF PROOF AS THE EXECUTIVE DIRECTOR MAY
25 PRESCRIBE.

26 (4) EVERY RETAILER CONDUCTING A BUSINESS IN WHICH THE
27 TRANSACTION BETWEEN THE RETAILER AND THE CONSUMER CONSISTS OF

1 THE SUPPLYING OF TANGIBLE PERSONAL PROPERTY AND SERVICES IN
2 CONNECTION WITH THE MAINTENANCE OR SERVICING OF THE SAME SHALL
3 BE REQUIRED TO PAY THE TAXES LEVIED UNDER THIS ARTICLE UPON THE
4 FULL CONTRACT PRICE, UNLESS APPLICATION IS MADE TO THE EXECUTIVE
5 DIRECTOR OF THE DEPARTMENT OF REVENUE FOR PERMISSION TO USE A
6 PERCENTAGE BASIS OF REPORTING THE TANGIBLE PERSONAL PROPERTY
7 SOLD AND THE SERVICES SUPPLIED UNDER SUCH CONTRACT. THE
8 EXECUTIVE DIRECTOR IS AUTHORIZED TO DETERMINE THE PERCENTAGE
9 BASED UPON THE RATIO OF THE TANGIBLE PERSONAL PROPERTY INCLUDED
10 IN THE CONSIDERATION AS IT BEARS TO THE TOTAL OF THE CONSIDERATION
11 PAID UNDER SAID COMBINATION CONTRACT OR SALE THAT IS SUBJECT TO
12 THE SALES TAX LEVIED UNDER THE PROVISIONS OF THIS PART 1. THIS
13 SECTION SHALL NOT BE CONSTRUED TO INCLUDE ITEMS UPON WHICH THE
14 SALES TAX IS IMPOSED ON THE FULL PURCHASE PRICE AS DESIGNATED IN
15 SECTION 39-26-102 (12).

16 (5) (a) A QUALIFIED PURCHASER MAY PROVIDE A DIRECT PAYMENT
17 PERMIT NUMBER TO A RETAILER THAT IS LIABLE AND RESPONSIBLE FOR
18 COLLECTING AND REMITTING THE TAX IMPOSED BY THIS ARTICLE ON ANY
19 SALE MADE TO THE QUALIFIED PURCHASER. A QUALIFIED PURCHASER
20 HOLDING A DIRECT PAYMENT PERMIT NUMBER SHALL, BEFORE THE
21 TWENTIETH DAY OF EACH MONTH SUBSEQUENT TO THE MONTH IN WHICH
22 ANY SALE TO THE QUALIFIED PURCHASER WAS MADE FOR WHICH THE
23 QUALIFIED PURCHASER'S DIRECT PAYMENT PERMIT NUMBER WAS USED,
24 MAKE A RETURN AND REMIT DIRECTLY TO THE EXECUTIVE DIRECTOR OF
25 THE DEPARTMENT OF REVENUE THE AMOUNT OF SUCH TAX OWING ON ALL
26 SUCH SALES TO THE QUALIFIED PURCHASER MADE IN THE PRECEDING
27 MONTH. SUCH RETURNS OF THE QUALIFIED PURCHASER OR DULY

1 AUTHORIZED AGENT SHALL CONTAIN SUCH INFORMATION AND BE MADE IN
2 SUCH MANNER AND UPON SUCH FORMS AS THE EXECUTIVE DIRECTOR
3 SHALL PRESCRIBE.

4 (b) NOTWITHSTANDING THE PROVISIONS OF SECTION 39-21-113
5 (4), THE DEPARTMENT OF REVENUE SHALL MAKE AVAILABLE TO ALL
6 QUALIFIED PURCHASERS AN ELECTRONIC LIST OF ALL REMOTE SELLERS
7 AND THEIR COLORADO ACCOUNT NUMBERS IN ORDER TO FACILITATE THE
8 QUALIFIED PURCHASER'S APPROPRIATE REMITTANCE OF TAX PURSUANT TO
9 PARAGRAPH (a) OF THIS SUBSECTION (5). SUCH LIST MUST REMAIN
10 CONFIDENTIAL IN THE HANDS OF THE QUALIFIED PURCHASER, AND THE
11 QUALIFIED PURCHASER IS SUBJECT TO THE SAME LIMITATIONS SPECIFIED
12 IN SECTION 39-21-113 (4) THAT APPLY TO THE DEPARTMENT OF REVENUE,
13 INCLUDING THE REQUIREMENT THAT SUCH LIST BE USED ONLY FOR THE
14 PURPOSE OF PROPER ADMINISTRATION OF THE TAX.

15 (c) FROM THE AMOUNT OF THE TAX REQUIRED TO BE REMITTED
16 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (5), A QUALIFIED
17 PURCHASER SHALL BE ENTITLED TO RETAIN THE AMOUNT SPECIFIED IN
18 SUBPARAGRAPH (II) OF PARAGRAPH (c) OF SUBSECTION (1) OF THIS
19 SECTION THAT A RETAILER WOULD OTHERWISE BE ENTITLED TO RETAIN TO
20 COVER THE RETAILER'S EXPENSE IN COLLECTING AND REMITTING THE TAX
21 IMPOSED BY THIS ARTICLE IF THE QUALIFIED PURCHASER HAD NOT
22 PROVIDED A DIRECT PAYMENT PERMIT NUMBER TO THE RETAILER.

23 **SECTION 6.** In Colorado Revised Statutes, 39-26-105, **amend**

24 (1) (g) (I) as follows:

25 **39-26-105. Vendor liable for tax - repeal.**

26 (1) (g) (I) (A) EXCEPT AS PROVIDED IN SUB-SUBPARAGRAPH (B) OF THIS
27 SUBPARAGRAPH (I), notwithstanding any other provision of this section,

1 the amount retained by a vendor to cover the vendor's expense in
2 collecting and remitting tax pursuant to this section shall not exceed an
3 amount equal to two and twenty-two one-hundredths percent of all sales
4 tax reported on any return made on or after July 1, 2011, but prior to July
5 1, 2014.

6 (B) FOR A TWELVE-MONTH PERIOD COMMENCING UPON THE FIRST
7 DAY OF THE THIRD MONTH FOLLOWING THE EFFECTIVE DATE OF ANY ACT
8 OF CONGRESS AUTHORIZING STATES TO REQUIRE CERTAIN RETAILERS TO
9 PAY, COLLECT, OR REMIT STATE OR LOCAL SALES TAX, THE PERCENTAGE
10 OF ALL SALES TAX REPORTED AS SPECIFIED IN SUB-SUBPARAGRAPH (A) OF
11 THIS SUBPARAGRAPH (I) SHALL BE REDUCED BY ONE HUNDRED FIVE
12 ONE-THOUSANDTHS PERCENTAGE POINTS.

13

14 **SECTION 7.** In Colorado Revised Statutes, 39-26-105.3, **amend**
15 (7); and **add** (8), (9), and (10) as follows:

16 **39-26-105.3. Remittance of tax - electronic database - vendor**
17 **held harmless.** (7) ~~The executive director of the department of revenue~~
18 ~~shall promulgate rules for the administration of this section. Such rules~~
19 ~~shall be promulgated in accordance with article 4 of title 24, C.R.S.~~ THE
20 DEPARTMENT OF REVENUE SHALL PROVIDE INFORMATION TO REMOTE
21 SELLERS THAT INDICATES THE TAXABILITY OF PRODUCTS AND SERVICES
22 ALONG WITH ANY PRODUCT AND SERVICE EXEMPTIONS FROM SALES TAX
23 IN THE STATE. THE DEPARTMENT OF REVENUE SHALL ALSO PROVIDE TO
24 REMOTE SELLERS A SALES TAX RATE DATABASE AND A DATABASE OF
25 LOCAL TAXING JURISDICTION BOUNDARIES. THE DEPARTMENT OF REVENUE
26 SHALL NOTIFY REMOTE SELLERS AND CERTIFIED SOFTWARE PROVIDERS OF
27 ANY STATE OR LOCAL SALES TAX RATE CHANGE AT LEAST NINETY DAYS

1 BEFORE THE EFFECTIVE DATE OF SUCH A CHANGE. SUBSEQUENT TO ANY
2 SALES TAX RATE CHANGE, THE DEPARTMENT OF REVENUE SHALL UPDATE
3 THE INFORMATION DESCRIBED THIS SUBSECTION (7) ACCORDINGLY.

4 (8) (a) THE DEPARTMENT OF REVENUE SHALL MAKE AVAILABLE
5 FREE OF CHARGE SOFTWARE TO RETAILERS THAT:

6 (I) CALCULATES SALES TAXES DUE ON EACH TRANSACTION AT THE
7 TIME THE TRANSACTION IS COMPLETED;

8 (II) FILES SALES TAX RETURNS; AND

9 (III) UPDATES TO REFLECT ANY TAX RATE CHANGES FOR THE STATE
10 OR ANY LOCAL TAXING JURISDICTION.

11 (b) (I) THE DEPARTMENT OF REVENUE MAY CONTRACT WITH ONE
12 OR MORE CERTIFIED SOFTWARE PROVIDERS DESCRIBED IN PARAGRAPH (c)
13 OF THIS SUBSECTION (8), WITHOUT REGARD TO THE REQUIREMENTS IN THE
14 "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24, C.R.S., TO
15 PROVIDE THE SOFTWARE OR PROVIDE ACCESS TO THE SOFTWARE
16 DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (8).

17 (II) A RETAILER MAY ELECT TO COLLECT AND REMIT SALES TAX ON
18 ITS OWN, WITHOUT USING THE SERVICES OF A CERTIFIED SOFTWARE
19 PROVIDER DESCRIBED IN PARAGRAPH (c) OF THIS SUBSECTION (8), OR MAY
20 ELECT TO USE THE SERVICES OF A CERTIFIED SOFTWARE PROVIDER.

21 (III) IN PROVIDING SOFTWARE FREE OF CHARGE AS DESCRIBED IN
22 SUBPARAGRAPH (I) OF THIS PARAGRAPH (b), THE CONTRACT NEGOTIATED
23 BETWEEN THE DEPARTMENT OF REVENUE AND THE CERTIFIED SOFTWARE
24 PROVIDERS DESCRIBED IN PARAGRAPH (c) OF THIS SUBSECTION (8) MUST
25 PROVIDE THAT ALL OR A PORTION OF THE AMOUNT DESCRIBED IN SECTION
26 39-26-105 (1) (c) (II), MAY NOT BE RETAINED BY THE RETAILER ELECTING
27 TO UTILIZE THE SERVICES OF A CERTIFIED SOFTWARE PROVIDER BUT WILL

1 INSTEAD BE RETAINED BY THE CERTIFIED SOFTWARE PROVIDER AS
2 PAYMENT FOR ITS SERVICES.

3 (c) THE DEPARTMENT OF REVENUE SHALL ESTABLISH
4 CERTIFICATION PROCEDURES FOR PERSONS TO BE APPROVED AS CERTIFIED
5 SOFTWARE PROVIDERS, WHICH PROCEDURES SHALL INCLUDE A
6 REQUIREMENT THAT SOFTWARE PROVIDED BY CERTIFIED SOFTWARE
7 PROVIDERS BE CAPABLE OF CALCULATING AND FILING SALES AND USE
8 TAXES IN ALL STATES QUALIFIED UNDER THE PROPOSED FEDERAL
9 LEGISLATION KNOWN AS THE "MARKETPLACE FAIRNESS ACT OF 2013"
10 THAT, AS OF THE INTRODUCTION OF HOUSE BILL 13-1295, IS BEING
11 CONSIDERED IN CONGRESS.

12 (9) (a) RETAILERS ARE RELIEVED FROM LIABILITY TO THE STATE OR
13 LOCAL TAXING JURISDICTION FOR THE INCORRECT COLLECTION,
14 REMITTANCE, OR NONCOLLECTION OF SALES TAXES, INCLUDING ANY
15 PENALTIES OR INTEREST, IF THE LIABILITY IS THE RESULT OF AN ERROR OR
16 OMISSION MADE BY A CERTIFIED SOFTWARE PROVIDER DESCRIBED IN
17 PARAGRAPH (c) OF SUBSECTION (8) OF THIS SECTION.

18 (b) CERTIFIED SOFTWARE PROVIDERS DESCRIBED IN PARAGRAPH
19 (c) OF SUBSECTION (8) OF THIS SECTION ARE RELIEVED FROM LIABILITY TO
20 THE STATE OR ANY LOCAL TAXING JURISDICTION FOR THE INCORRECT
21 COLLECTION, REMITTANCE, OR NONCOLLECTION OF SALES TAXES,
22 INCLUDING ANY PENALTIES OR INTEREST, IF THE LIABILITY IS THE RESULT
23 OF MISLEADING OR INACCURATE INFORMATION PROVIDED BY A RETAILER.

24 (c) RETAILERS AND CERTIFIED SOFTWARE PROVIDERS DESCRIBED
25 IN PARAGRAPH (c) OF SUBSECTION (8) OF THIS SECTION ARE RELIEVED
26 FROM LIABILITY TO THE STATE OR ANY LOCAL TAXING JURISDICTION FOR
27 INCORRECT COLLECTION, REMITTANCE, OR NONCOLLECTION OF SALES

1 TAXES, INCLUDING ANY PENALTIES OR INTEREST, IF THE LIABILITY IS THE
2 RESULT OF INCORRECT INFORMATION OR SOFTWARE PROVIDED BY THE
3 DEPARTMENT OF REVENUE.

4 (d) RETAILERS AND CERTIFIED SOFTWARE PROVIDERS DESCRIBED
5 IN PARAGRAPH (c) OF SUBSECTION (8) OF THIS SECTION ARE RELIEVED
6 FROM LIABILITY FOR COLLECTING SALES TAXES AT THE IMMEDIATELY
7 PRECEDING EFFECTIVE STATE AND LOCAL RATES DURING THE NINETY-DAY
8 NOTICE PERIOD DESCRIBED IN SUBSECTION (7) OF THIS SECTION IF THE
9 REQUIRED NOTICE IS NOT PROVIDED.

10 (10) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE
11 SHALL PROMULGATE RULES FOR THE ADMINISTRATION OF THIS SECTION.
12 SUCH RULES SHALL BE PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF
13 TITLE 24, C.R.S.

14 **SECTION 8.** In Colorado Revised Statutes, **add** 39-26-122.7 as
15 follows:

16 **39-26-122.7. Filing and remittance of remote sales - standard**
17 **sales tax reporting form for remote sales - delayed distributions.**

18 (1) EVERY REMOTE SELLER SHALL, ON OR BEFORE THE TWENTIETH DAY
19 OF EACH MONTH, MAKE AN ELECTRONIC RETURN TO THE EXECUTIVE
20 DIRECTOR OF THE DEPARTMENT OF REVENUE FOR THE PRECEDING
21 CALENDAR MONTH AND ELECTRONICALLY MAKE SUCH REMITTANCE AS
22 SPECIFIED IN SECTION 39-26-105 (1) (c) (I) (B). A REMOTE SELLER'S
23 RETURNS, OR THE RETURNS OF A REMOTE SELLER'S DULY AUTHORIZED
24 AGENT, MUST CONTAIN SUCH INFORMATION AND BE MADE IN SUCH
25 MANNER AND UPON SUCH FORMS AS SPECIFIED IN THIS SECTION.

26 (2) (a) THE COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF
27 THE LOCAL TAXING JURISDICTION SALES TAX UNDER SECTION 39-26-104

1 (2) SHALL BE PERFORMED BY THE EXECUTIVE DIRECTOR OF THE
2 DEPARTMENT OF REVENUE IN THE SAME MANNER AS THE COLLECTION,
3 ADMINISTRATION, AND ENFORCEMENT OF THE COLORADO STATE SALES
4 TAX.

5
6 (b) (I) THE CENTRAL AUDIT BUREAU CREATED IN SUBPARAGRAPH
7 (II) OF THIS PARAGRAPH (b) SHALL BE THE SOLE ENTITY WITHIN THE STATE
8 THAT IS RESPONSIBLE FOR AUDITING REMOTE SELLERS. NOTWITHSTANDING
9 ANY OTHER PROVISION OF LAW, NO LOCAL TAXING AUTHORITY SHALL
10 HAVE THE AUTHORITY TO AUDIT ANY REMOTE SELLER.

11 (II) THE DEPARTMENT OF REVENUE AND LOCAL TAXING
12 JURISDICTIONS SHALL COORDINATE IN THE DEVELOPMENT OF THE CENTRAL
13 AUDIT BUREAU AND SHALL SHARE IN THE COSTS AND STAFFING OF THE
14 BUREAU. THE FUNDING AND STAFFING OF THE CENTRAL AUDIT BUREAU
15 SHALL BE SUFFICIENT TO AUDIT REMOTE SELLERS.

16 (3) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE
17 SHALL AT NO CHARGE ADMINISTER, COLLECT, AND DISTRIBUTE ANY SALES
18 TAX IMPOSED BY ANY LOCAL TAXING JURISDICTION ON A REMOTE SALE
19 AUTHORIZED BY SECTION 39-26-104 (2). THE EXECUTIVE DIRECTOR SHALL
20 MAKE MONTHLY DISTRIBUTIONS OF SALES TAX COLLECTIONS TO THE
21 APPROPRIATE OFFICIAL IN EACH LOCAL TAXING JURISDICTION.

22 (4) (a) NOTWITHSTANDING THE PROVISIONS OF SECTION
23 39-21-113, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE
24 SHALL REPORT MONTHLY TO EACH LOCAL TAXING JURISDICTION FOR
25 WHICH THE DEPARTMENT OF REVENUE COLLECTS A SALES TAX,
26 INFORMATION IDENTIFYING REMOTE SELLERS MAKING SALES WITHIN THE
27 LOCAL TAXING JURISDICTION AND, WHERE THE CHIEF ADMINISTRATIVE

1 OFFICER OR HIS DESIGNEE HAS EXECUTED A MEMORANDUM OF
2 UNDERSTANDING WITH THE DEPARTMENT OF REVENUE PROVIDING FOR
3 CONTROL OF CONFIDENTIAL DATA, THE STATUS OF EACH REMOTE SELLER'S
4 ACCOUNT INCLUDING THE AMOUNT OF SUCH LOCAL TAXING JURISDICTION'S
5 SALES TAX COLLECTED AND PAID BY EACH SUCH REMOTE SELLER. THE
6 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE MAY, IN HIS OR
7 HER DISCRETION, PROVIDE ADDITIONAL INFORMATION TO A LOCAL TAXING
8 JURISDICTION CONCERNING COLLECTION AND ADMINISTRATION OF SUCH
9 LOCAL TAXING JURISDICTION'S SALES TAX IF SUCH A MEMORANDUM HAS
10 BEEN EXECUTED.

11 (b) EXCEPT IN ACCORDANCE WITH JUDICIAL ORDER OR AS
12 OTHERWISE PROVIDED BY LAW, NO OFFICIAL OR EMPLOYEE OF A LOCAL
13 TAXING JURISDICTION RECEIVING SALES TAX INFORMATION FROM THE
14 DEPARTMENT OF REVENUE PURSUANT TO THIS SUBSECTION (4) SHALL
15 DIVULGE OR MAKE KNOWN TO ANY PERSON NOT AN OFFICIAL OR
16 EMPLOYEE OF SUCH LOCAL TAXING JURISDICTION ANY INFORMATION THAT
17 IDENTIFIES OR PERMITS THE IDENTIFICATION OF THE AMOUNT OF SALES
18 TAXES COLLECTED OR PAID BY ANY INDIVIDUAL REMOTE SELLER. THE
19 OFFICIALS OR EMPLOYEES OF ANY LOCAL TAXING JURISDICTION CHARGED
20 WITH THE CUSTODY OF SUCH SALES TAX INFORMATION SHALL NOT BE
21 REQUIRED TO PRODUCE ANY SUCH INFORMATION IN ANY ACTION OR
22 PROCEEDING IN ANY COURT EXCEPT IN AN ACTION OR PROCEEDING UNDER
23 THE PROVISIONS OF THIS ARTICLE TO WHICH THE LOCAL TAXING
24 JURISDICTION HAVING CUSTODY OF THE INFORMATION IS A PARTY, IN
25 WHICH EVENT THE COURT MAY REQUIRE THE PRODUCTION OF, AND MAY
26 ADMIT IN EVIDENCE, SO MUCH OF SAID SALES TAX INFORMATION AS IS
27 PERTINENT TO THE ACTION OR PROCEEDING. ANY OFFICIAL OR EMPLOYEE

1 OF THE LOCAL TAXING JURISDICTION WHO WILLFULLY VIOLATES ANY OF
2 THE PROVISIONS OF THIS SUBSECTION (4) IS GUILTY OF A MISDEMEANOR
3 AND, UPON CONVICTION THEREOF, SHALL BE PUNISHED BY A FINE OF NOT
4 MORE THAN ONE THOUSAND DOLLARS AND SHALL BE DISMISSED FROM
5 OFFICE.

6 (5) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE
7 SHALL PRESCRIBE A STANDARD ELECTRONIC SALES TAX REPORTING FORM
8 FOR REMOTE SALES. SUCH FORM SHALL BE SEPARATE FROM THE STATE
9 FORM AND SHALL BE THE ONLY SALES TAX REPORTING FORM REQUIRED TO
10 BE USED BY ANY REMOTE SELLER. SUCH FORM SHALL ALLOW A REMOTE
11 SELLER TO REPORT ALL SALES AND USE TAXES COLLECTED FOR A LOCAL
12 GOVERNMENT ON SUCH FORM.

13 (6) IF ANY SALES TAX TO BE DISTRIBUTED PURSUANT TO THIS
14 SECTION IS NOT DISTRIBUTED WITHIN SIXTY DAYS AFTER THE PROCESSING
15 DATE, INTEREST SHALL BE ADDED TO THE UNDISTRIBUTED AMOUNT FROM
16 THE SIXTIETH DAY AFTER THE PROCESSING DATE UNTIL THE DATE SUCH
17 SALES TAX IS DISTRIBUTED. THE RATE OF SAID INTEREST SHALL BE EQUAL
18 TO THE AVERAGE RATE, ROUNDED TO ONE ONE-THOUSANDTH OF A
19 PERCENT, BEING EARNED BY THE INVESTMENT OF MONEYS IN THE STATE
20 TREASURY FOR THE SAME PERIOD.

21

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22 **SECTION 9.** In Colorado Revised Statutes, 24-46-303, **amend**
23 (12) as follows:

24 **24-46-303. Definitions.** As used in this part 3, unless the context
25 otherwise requires:

26 (12) "State sales tax increment revenue" means the portion of the
27 revenue derived from state sales taxes, NOT INCLUDING ANY SALES TAXES

1 FOR REMOTE SALES AS SPECIFIED IN SECTION 39-26-104 (2), C.R.S.,
2 collected within a designated regional tourism zone in excess of the
3 amount of base year revenue.

4 **SECTION 10.** In Colorado Revised Statutes, 29-2-106, **amend**
5 (2) as follows:

6 **29-2-106. Collection - administration - enforcement.** (2) The
7 effective date of any countywide sales tax or city or town sales tax
8 adopted under the provisions of this article shall be ~~either January 1 or~~
9 ~~July 1 following the date of the election in which such county sales tax~~
10 ~~proposal is approved; and notice of the adoption of any county sales tax~~
11 ~~proposal shall be submitted by the county clerk and recorder or by the~~
12 ~~clerk of the city council or board of trustees of a city or town to the~~
13 ~~executive director of the department of revenue at least forty-five days~~
14 ~~prior to the effective date of such tax. If such a sales tax proposal is~~
15 ~~approved at an election held less than forty-five days prior to the January~~
16 ~~1 or July 1 following the date of election, such tax shall not be effective~~
17 ~~until the next succeeding January 1 or July 1~~ AS SET FORTH IN SECTION
18 39-26-104 (2) (c), C.R.S.

19 **SECTION 11.** In Colorado Revised Statutes, 30-20-604.5,
20 **amend** (1) as follows:

21 **30-20-604.5. District sales tax.** (1) The board of any county or
22 of any city that has been authorized to become a city and county pursuant
23 to an amendment to the state constitution that has been approved by the
24 registered electors of the state of Colorado and that subsequently becomes
25 a city and county for the purpose of funding all or a portion of the cost of
26 any improvements constructed or transportation services provided
27 pursuant to section 30-20-603 (1) (a), (1) (a.5), and (1) (c), may levy a

1 sales tax throughout the district upon every transaction or other incident
2 with respect to which a sales tax is authorized pursuant to section
3 29-2-105, C.R.S.; except that such tax may be levied only upon those
4 transactions specified in section 39-26-104 (1) (a), (1) (b), (1) (e), and (1)
5 (f), C.R.S., AND MAY NOT INCLUDE ANY SALES TAXES FOR REMOTE SALES
6 AS SPECIFIED IN SECTION 39-26-104 (2), C.R.S. The board may, in its
7 discretion, levy or continue to levy a sales tax on the sales of low-emitting
8 motor vehicles, power sources, or parts used for converting such power
9 sources as specified in section 39-26-719 (1), C.R.S.

10 **SECTION 12.** In Colorado Revised Statutes, 31-25-107, **amend**
11 (9) (a) (I) as follows:

12 **31-25-107. Approval of urban renewal plans by local**
13 **governing body.** (9) (a) Notwithstanding any law to the contrary, any
14 urban renewal plan, as originally approved or as later modified pursuant
15 to this part 1, may contain a provision that taxes, if any, levied after the
16 effective date of the approval of such urban renewal plan upon taxable
17 property in an urban renewal area each year or that municipal sales taxes
18 collected within said area, or both such taxes, by or for the benefit of any
19 public body shall be divided for a period not to exceed twenty-five years
20 after the effective date of adoption of such a provision, as follows:

21 (I) That portion of the taxes which are produced by the levy at the
22 rate fixed each year by or for each such public body upon the valuation
23 for assessment of taxable property in the urban renewal area last certified
24 prior to the effective date of approval of the urban renewal plan or, as to
25 an area later added to the urban renewal area, the effective date of the
26 modification of the plan, or that portion of municipal sales taxes, NOT
27 INCLUDING ANY SALES TAXES FOR REMOTE SALES AS SPECIFIED IN SECTION

1 39-26-104 (2), C.R.S., collected within the boundaries of said urban
2 renewal area in the twelve-month period ending on the last day of the
3 month prior to the effective date of approval of said plan, or both such
4 portions, shall be paid into the funds of each such public body as are all
5 other taxes collected by or for said public body.

6 **SECTION 13.** In Colorado Revised Statutes, 31-25-807, **amend**
7 (3) (a) introductory portion as follows:

8 **31-25-807. Powers - duties.** (3) (a) Notwithstanding any law to
9 the contrary and subject to the provisions of subparagraph (IV) of this
10 paragraph (a), any such plan of development as originally adopted by the
11 board or as later modified pursuant to this part 8 may, after approval by
12 the governing body of the municipality, contain a provision that taxes, if
13 any, levied after the effective date of the approval of such plan of
14 development by said governing body upon taxable property within the
15 boundaries of the plan of development area each year or that municipal
16 sales taxes, NOT INCLUDING ANY SALES TAXES FOR REMOTE SALES AS
17 SPECIFIED IN SECTION 39-26-104 (2), C.R.S., collected within said area, or
18 both such taxes, by or for the benefit of any public body shall be divided
19 for a period not to exceed thirty years or such longer period as provided
20 for in subparagraph (IV) of this paragraph (a) after the effective date of
21 approval by said governing body of such a provision, as follows:

22 **SECTION 14. Appropriation.** (1) In addition to any other
23 appropriation, there is hereby appropriated, out of any moneys in the
24 general fund, not otherwise appropriated, to the department of revenue,
25 for the fiscal year beginning July 1, 2013, the sum of \$2,502,786, or so
26 much thereof as may be necessary, to be allocated for the implementation
27 of this act as follows:

1 (a) \$362,786 for allocation to the information technology division
2 for the purchase of computer center services; and

3 (b) \$2,140,000 for allocation to the taxation business group,
4 administration, for CITA annual maintenance and support.

5 (2) In addition to any other appropriation, there is hereby
6 appropriated to the governor - lieutenant governor - state planning and
7 budgeting, for the fiscal year beginning July 1, 2013, the sum of
8 \$362,786, or so much thereof as may be necessary, for allocation to the
9 office of information technology, for the provision of computer center
10 services for the department of revenue related to the implementation of
11 this act. Said sum is from reappropriated funds received from the
12 department of revenue out of the appropriation made in paragraph (a) of
13 subsection (1) of this section.

14 **SECTION 15. Severability.** If any provision of this act or the
15 application thereof to any person or circumstance is held invalid, such
16 invalidity does not affect other provisions or applications of the act that
17 can be given effect without the invalid provision or application, and to
18 this end the provisions of this act are declared to be severable.

19 **SECTION 16. Effective date.** (1) Except as otherwise provided
20 in this section, section 6 of this act takes effect upon passage and the
21 remainder of this act takes effect July 1, 2014.

22 (2) Section 7 of this act takes effect only if the proposed federal
23 legislation known as the "Marketplace Fairness Act of 2013" that, as of
24 the introduction of House Bill 13-1295, is being considered in congress
25 is enacted and takes effect either upon the effective date of this act or the
26 effective date of the "Marketplace Fairness Act of 2013", whichever is
27 later. The department of revenue shall send the revisor of statutes written

1 notice that this requirement has been met within thirty days of enactment
2 of the "Marketplace Fairness Act of 2013" by congress.

3 (3) Section 10 of this act takes effect only if congress enacts an
4 act that authorizes states to require certain retailers to pay, collect, or
5 remit state or local sales taxes and takes effect either upon the effective
6 date of this act or the effective date of such act of congress, whichever is
7 later. The department of revenue shall send the revisor of statutes written
8 notice that this requirement has been met within thirty days of enactment
9 of such an act by congress.

10 (4) Section 14 of this act takes effect on a date between July 1,
11 2013, but before July 1, 2014, only if congress enacts an act that
12 authorizes states to require certain retailers to pay, collect, or remit state
13 or local sales taxes during that period. The department of revenue shall
14 send the revisor of statutes written notice that this requirement has been
15 met within thirty days of enactment of such an act by congress.

16 **SECTION 17. Safety clause.** The general assembly hereby finds,
17 determines, and declares that this act is necessary for the immediate
18 preservation of the public peace, health, and safety.