

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

April 24, 2013
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB13-1288 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, **add** 39-26-128 as
4 follows:

5 **39-26-128. Uniform sales and use tax base.** (1) (a) THE
6 DEPARTMENT OF REVENUE SHALL MAKE RECOMMENDATIONS TO THE
7 GENERAL ASSEMBLY REGARDING THE ESTABLISHMENT OF A REVENUE
8 NEUTRAL UNIFORM SALES AND USE TAX BASE THROUGHOUT THE STATE. IN
9 DEVELOPING THE RECOMMENDATIONS, THE DEPARTMENT SHALL CONSULT
10 WITH REPRESENTATIVES OF THE COLORADO MUNICIPAL LEAGUE, OR ITS
11 SUCCESSOR ENTITY, AND COLORADO COUNTIES, INCORPORATED, OR ITS
12 SUCCESSOR ENTITY. SUCH REPRESENTATIVES MUST HAVE EXPERIENCE IN
13 WRITING SALES AND USE TAX POLICY AND MUST REPRESENT
14 CONSTITUENTS OF LOCAL TAXING JURISDICTIONS. THE RECOMMENDATIONS
15 SHALL INCLUDE:

- 16 (I) A UNIFORM DEFINITION OF TANGIBLE PERSONAL PROPERTY;
17 (II) A UNIFORM LIST OF ITEMS THAT ARE EXEMPT FROM TAXATION
18 BY THE STATE AND LOCAL TAXING JURISDICTIONS;
19 (III) UNIFORM DEFINITIONS OF THE TAX-EXEMPT ITEMS;
20 (IV) RATE CHANGES, INCLUDING CONSIDERATION OF RATES OF
21 ZERO PERCENT THAT WOULD BE NECESSARY TO ACHIEVE REVENUE
22 NEUTRALITY FOR THE STATE AND ANY LOCAL TAXING JURISDICTION; AND
23 (V) ANY OTHER RECOMMENDATIONS DEEMED APPROPRIATE BY

1 THE DEPARTMENT OF REVENUE REGARDING THE ESTABLISHMENT OF A
2 REVENUE NEUTRAL UNIFORM SALES AND USE TAX BASE.

3 (b) (I) FOR PURPOSES OF THIS SUBSECTION (1), A UNIFORM SALES
4 AND USE TAX BASE IS REVENUE NEUTRAL IF, WHEN SUBSTITUTED FOR A
5 JURISDICTION'S PRIOR SALES AND USE TAX BASE, THE RESULT IS NO MORE
6 THAN A DE MINIMIS CHANGE IN TAX REVENUE FOR THE SUBSTITUTING
7 JURISDICTION.

8 (II) IN ESTIMATING REVENUE NEUTRALITY, THE DEPARTMENT OF
9 REVENUE SHALL USE THE BEST INFORMATION IT HAS AVAILABLE.

10 (c) FOR PURPOSES OF THIS SUBSECTION (1), A "LOCAL TAXING
11 JURISDICTION" MEANS A CITY, TOWN, MUNICIPALITY, COUNTY, SPECIAL
12 DISTRICT, OR AUTHORITY AUTHORIZED TO LEVY A SALES TAX PURSUANT
13 TO TITLE 24, 25, 29, 30, 31, 32, 37, OR 42, C.R.S., AND CITIES, CITIES AND
14 COUNTIES, OR TOWNS GOVERNED BY A HOME RULE CHARTER THAT IMPOSE
15 A SALES OR USE TAX IN THE STATE.

16 (2) THE DEPARTMENT OF REVENUE SHALL INCLUDE THE
17 RECOMMENDATIONS MADE PURSUANT TO SUBSECTION (1) OF THIS SECTION
18 IN A REPORT TO THE GENERAL ASSEMBLY PURSUANT TO SECTION 24-1-136
19 (9), C.R.S. THE REPORT MUST BE SUBMITTED TO THE GENERAL ASSEMBLY
20 NO LATER THAN DECEMBER 31, 2013, AND MADE AVAILABLE TO THE
21 PUBLIC ON A WEB SITE MAINTAINED BY THE DEPARTMENT OF REVENUE.

22 (3) MEMBERS OF THE GENERAL ASSEMBLY ARE ENCOURAGED TO
23 CONSIDER THE RECOMMENDATIONS OF THE DEPARTMENT OF REVENUE
24 PURSUANT TO THIS SECTION AND, IF VIEWED FAVORABLY, TO INTRODUCE
25 LEGISLATION AND, IF APPROPRIATE, A HOUSE OR SENATE CONCURRENT
26 RESOLUTION, DURING THE SECOND REGULAR SESSION OF THE SIXTY-NINTH
27 GENERAL ASSEMBLY TO ESTABLISH A REVENUE NEUTRAL UNIFORM
28 STATEWIDE SALES AND USE TAX BASE.

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

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