

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 13-0461.01 Ed DeCecco x4216

HOUSE BILL 13-1144

HOUSE SPONSORSHIP

Kagan, Court, Duran, Fields, Hullinghorst, Levy

SENATE SPONSORSHIP

Steadman,

House Committees
Finance

Senate Committees
Finance

A BILL FOR AN ACT

101 **CONCERNING THE ELIMINATION OF THE STATE SALES AND USE TAX**
102 **EXEMPTION FOR CIGARETTES.**

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>.)

Prior to July 1, 2009, cigarettes were exempt from the state sales and use tax. This exemption was suspended from that date until July 1, 2013, so that cigarettes were subject to the state sales and use tax. During this same period, local sales and use tax exemptions for cigarettes were left unchanged.

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
3rd Reading Unamended
February 4, 2013

HOUSE
Amended 2nd Reading
February 1, 2013

The bill makes permanent the state sales and use tax on cigarettes by repealing the state exemption altogether. The local exemptions remain unchanged.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-26-706, **amend**
3 (1) as follows:

4 **39-26-706. Miscellaneous sales and use tax exemptions -**
5 **internet access - refractory materials - precious metal bullion and**
6 **coins.** (1) (a) ~~All sales of cigarettes shall be exempt from taxation under~~
7 ~~the provisions of part 1 of this article, except that any sales of cigarettes~~
8 ~~after June 30, 2009, and before July 1, 2013, shall not be exempt from~~
9 ~~such taxation.~~

10 (b) ~~The storage, use, or consumption of cigarettes shall be exempt~~
11 ~~from taxation under the provisions of part 2 of this article, except that the~~
12 ~~storage, use, or consumption of cigarettes after June 30, 2009, and before~~
13 ~~July 1, 2013, shall not be exempt from such taxation.~~

14 (c) Notwithstanding any provision of law to the contrary, for any
15 local government or political subdivision of the state that levies a sales or
16 use tax based on the sales or use tax levied by the state pursuant to this
17 article, the sale or storage, use, or consumption of cigarettes ~~after June 30,~~
18 ~~2009, and before July 1, 2013, shall be~~ IS exempt from the sales or use tax
19 of such local government or political subdivision.

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21 **SECTION 2.** In Colorado Revised Statutes, **repeal** 39-28-113 as
22 follows:

23 **39-28-113. Provisions not applicable.** ~~The provisions of section~~
24 ~~39-26-706 (1) (a), relating to exemption from the "Emergency Retail~~

1 ~~Sales Tax Act of 1935", and section 39-26-706 (1) (b), relating to~~
2 ~~exemption from the use tax, shall not apply to or render inoperative the~~
3 ~~provisions of this article.~~

4 **SECTION 3. Effective date.** This act takes effect July 1, 2013.

5 **SECTION 4. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety.