

**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. 13-0623.01 Ed DeCecco x4216

HOUSE BILL 13-1272

HOUSE SPONSORSHIP

Hullinghorst,

SENATE SPONSORSHIP

Steadman,

House Committees

Finance

Senate Committees

Finance

A BILL FOR AN ACT

101	CONCERNING THE MODIFICATION OF A SPECIAL DISTRICT'S SALES AND
102	USE TAX BASE TO MAKE IT THE SAME AS THE STATE'S SALES AND
103	USE TAX BASE.

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>.)

Currently, some items that are exempt from the state sales and use tax are subject to the scientific and cultural facilities' (SCFD) and regional transportation district's (RTD) sales and use tax, and vice versa. For example, RTD and SCFD may tax the sales of low emitting motor

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
April 19, 2013

HOUSE
3rd Reading Unamended
April 5, 2013

HOUSE
Amended 2nd Reading
April 2, 2013

vehicles, but the state may not. The state may tax the sale of candy and soft drinks, but RTD and SCFD may not.

The bill changes RTD and SCFD's sales and use tax bases to be the same as the state's sales and use tax base by eliminating some of the districts' exemptions and creating other new exemptions for them.

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

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

4 (a) The regional transportation district and the scientific and
5 cultural facilities district have the same sales and use tax base as the state
6 with respect to tangible personal property, but the districts and the state
7 have different exemptions for several types of such property;

8 (b) This leads to confusion for taxpayers and it is an
9 administrative burden for vendors who collect and remit the tax to the
10 state; and

11 (c) Therefore, the intended purpose of the tax expenditures in this
12 act is to simplify the administration and collection of sales and use tax for
13 the regional transportation district and the scientific and cultural facilities
14 district.

15 **SECTION 2.** In Colorado Revised Statutes, 32-9-119, **amend** (2)

16 (a) as follows:

17 **32-9-119. Additional powers of district.** (2) (a) To provide
18 revenue to finance the operations of the district, to defray the cost of
19 construction of capital improvements and acquisition of capital
20 equipment, and to pay the interest and principal on securities of the
21 district, the board, for and on behalf of the district, ~~after approval by~~
22 ~~election held pursuant to articles 1 to 13 of title 1, C.R.S., and, with~~
23 ~~respect to any tax rate increase that takes effect on or after March 2, 2009;~~

1 ~~in accordance with section 32-9-119.3, shall have~~ HAS the power to levy
2 uniformly throughout the district a sales tax at any rate that may be
3 approved by the board, upon every transaction or other incident with
4 respect to which a sales tax is now levied by the state, pursuant to the
5 provisions of article 26 of title 39, C.R.S. ~~except that:~~

6 ~~(I) Such sales tax may be levied on vending machine sales of food~~
7 ~~that are otherwise exempt pursuant to section 39-26-714 (2), C.R.S., and~~
8 ~~on purchases of machinery or machine tools that are otherwise exempt~~
9 ~~pursuant to section 39-26-709 (1), C.R.S.;~~

10 ~~(H) The board shall continue to levy a sales tax on the sales of~~
11 ~~low-emitting motor vehicles, power sources, or parts used for converting~~
12 ~~such power sources as specified in section 39-26-719 (1), C.R.S.;~~

13 ~~(HH) The sale of cigarettes shall be exempt from such sales tax.~~

14 **SECTION 3.** In Colorado Revised Statutes, 32-13-107, **amend**
15 (1) (a) as follows:

16 **32-13-107. Sales and use tax imposed - collection -**
17 **administration of tax - use.** (1) (a) Except as otherwise provided in
18 paragraph (b) of this subsection (1), upon the approval of the registered
19 electors pursuant to the provisions of section 32-13-105, the board ~~shall~~
20 ~~have~~ HAS the power to levy such uniform sales and use taxes throughout
21 the district created in section 32-13-104 upon every transaction or other
22 incident with respect to which a sales and use tax is levied by the state,
23 pursuant to the provisions of article 26 of title 39, C.R.S. ~~except that such~~
24 ~~sales and use tax shall not be levied the on sale or use of cigarettes and~~
25 ~~shall be levied on:~~

26 ~~(I) Purchases of machinery or machine tools that are otherwise~~
27 ~~exempt pursuant to section 39-26-709 (1), C.R.S., to the extent such sales~~

1 ~~and purchases are subject to a sales and use tax levied by the regional~~
2 ~~transportation district pursuant to section 29-2-105 (1) (d), C.R.S., on and~~
3 ~~after the January 1 following the election in which such sales and use~~
4 ~~taxes were approved;~~

5 ~~(H) Sales of low-emitting motor vehicles, power sources, or parts~~
6 ~~used for converting such power sources as specified in section 39-26-719~~
7 ~~(1), C.R.S.; and~~

8 ~~(HH) Vending machine sales of food that are otherwise exempt~~
9 ~~pursuant to section 39-26-714 (2), C.R.S.~~

10 **SECTION 4.** In Colorado Revised Statutes, **amend** 39-26-127 as
11 follows:

12 **39-26-127. Legislation modifying the state sales tax base - no**
13 **impact on local government sales tax bases - no expansion of local**
14 **authority to levy sales tax.** (1) Notwithstanding the provisions of
15 section 29-2-105 (1) (d), C.R.S., any provision of title 32, C.R.S., or any
16 other provision of law, AND EXCEPT AS SET FORTH IN SUBSECTION (3) OF
17 THIS SECTION, the levying of sales tax on, exemption from sales tax for,
18 or local option to levy sales tax on or provide an exemption from sales tax
19 for any tangible personal property or services under the sales tax
20 ordinance or resolution of any county, municipality, special district,
21 authority, or other local government or political subdivision of the state
22 shall not be affected in any way by the elimination, suspension, or
23 modification of any sales tax exemption or any other legislative
24 modification of the state sales tax base resulting from the enactment of
25 any of the following bills:

26 (a) House Bill 10-1189, enacted in 2010;

27 (b) House Bill 10-1190, enacted in 2010;

1 (c) House Bill 10-1191, enacted in 2010;

2 (d) House Bill 10-1194, enacted in 2010;

3 (e) House Bill 10-1195, enacted in 2010.

4 (2) EXCEPT AS SET FORTH IN SUBSECTION (3) OF THIS SECTION, this
5 section does not create or expand, and shall not be construed to create or
6 expand, any authority of any county, municipality, special district,
7 authority, or other local government or political subdivision of the state
8 to levy sales tax.

9 (3) BEGINNING JANUARY 1, 2014, SUBSECTION (1) OF THIS SECTION
10 DOES NOT APPLY TO THE REGIONAL TRANSPORTATION DISTRICT
11 ESTABLISHED BY ARTICLE 9 OF TITLE 32, C.R.S., AND THE SCIENTIFIC AND
12 CULTURAL FACILITIES DISTRICT ESTABLISHED BY ARTICLE 13 OF TITLE 32,
13 C.R.S., WHICH LEVY SALES AND USE TAX UPON EVERY TRANSACTION OR
14 OTHER INCIDENT WITH RESPECT TO WHICH A SALES AND USE TAX IS LEVIED
15 BY THE STATE.

16 **SECTION 5.** In Colorado Revised Statutes, **amend** 39-26-212 as
17 follows:

18 **39-26-212. Legislation modifying the state use tax base - no**
19 **impact on local government use tax bases - no expansion of local**
20 **authority to levy use tax.** (1) Notwithstanding the provisions of section
21 29-2-105 (1) (d), C.R.S., any provision of title 32, C.R.S., or any other
22 provision of law, AND EXCEPT AS SET FORTH IN SUBSECTION (3) OF THIS
23 SECTION, the levying of use tax on, exemption from use tax for, or local
24 option to levy use tax on or provide an exemption from use tax for any
25 tangible personal property or services under the use tax ordinance or
26 resolution of any county, municipality, special district, authority, or other
27 local government or political subdivision of the state shall not be affected

1 in any way by the elimination, suspension, or modification of any use tax
2 exemption or any other legislative modification of the state use tax base
3 resulting from the enactment of any of the following bills:

4 (a) House Bill 10-1189, enacted in 2010;

5 (b) House Bill 10-1190, enacted in 2010;

6 (c) House Bill 10-1191, enacted in 2010;

7 (d) House Bill 10-1194, enacted in 2010;

8 (e) House Bill 10-1195, enacted in 2010.

9 (2) EXCEPT AS SET FORTH IN SUBSECTION (3) OF THIS SECTION, this
10 section does not create or expand, and shall not be construed to create or
11 expand, any authority of any county, municipality, special district,
12 authority, or other local government or political subdivision of the state
13 to levy use tax.

14 (3) BEGINNING JANUARY 1, 2014, SUBSECTION (1) OF THIS SECTION
15 DOES NOT APPLY TO THE REGIONAL TRANSPORTATION DISTRICT
16 ESTABLISHED BY ARTICLE 9 OF TITLE 32, C.R.S., AND THE SCIENTIFIC AND
17 CULTURAL FACILITIES DISTRICT ESTABLISHED BY ARTICLE 13 OF TITLE 32,
18 C.R.S., WHICH LEVY SALES AND USE TAX UPON EVERY TRANSACTION OR
19 OTHER INCIDENT WITH RESPECT TO WHICH A SALES AND USE TAX IS LEVIED
20 BY THE STATE.

21 **SECTION 6.** In Colorado Revised Statutes, 39-26-706, **amend**
22 **as amended by House Bill 13-1144** (1) (c) as follows:

23 **39-26-706. Miscellaneous sales and use tax exemptions -**
24 **internet access - refractory materials - precious metal bullion and**
25 **coins.** (1) (c) (I) Notwithstanding any provision of law to the contrary,
26 BUT EXCEPT AS SET FORTH IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (c),
27 for any local government or political subdivision of the state that levies

1 a sales or use tax based on the sales or use tax levied by the state pursuant
2 to this article, the sale or storage, use, or consumption of cigarettes is
3 exempt from the sales or use tax of such local government or political
4 subdivision.

5 (II) SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) DOES NOT APPLY
6 TO THE REGIONAL TRANSPORTATION DISTRICT ESTABLISHED BY ARTICLE
7 9 OF TITLE 32, C.R.S., AND THE SCIENTIFIC AND CULTURAL FACILITIES
8 DISTRICT ESTABLISHED BY ARTICLE 13 OF TITLE 32, C.R.S., WHICH,
9 BEGINNING JANUARY 1, 2014, LEVY SALES AND USE TAX UPON EVERY
10 TRANSACTION OR OTHER INCIDENT WITH RESPECT TO WHICH A SALES AND
11 USE TAX IS LEVIED BY THE STATE.

12 **SECTION 7. Effective date.** This act takes effect January 1,
13 2014.

14 **SECTION 8. Safety clause.** The general assembly hereby finds,
15 determines, and declares that this act is necessary for the immediate
16 preservation of the public peace, health, and safety.