

**UPDATED SUMMARY  
HOUSE BILL 14-1269**

**Second Regular Session - Sixty-ninth Colorado General Assembly**

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*This summary applies to the reengrossed version of this bill as introduced in the second house. It does not reflect any amendments that may be subsequently adopted. This summary reflects only the main points of the legislation.*

The state imposes a sales tax collection obligation on every retailer or vendor, and the terms "retailer" and "vendor" are defined to include every person doing business in this state and selling to the user or consumer, and not for resale. The state also imposes a use tax collection obligation on every person in this state for the privilege of storing, using, or consuming in the state any tangible personal property purchased at retail. By operation of law, the definition of the term "doing business in this state" establishes which retailers must collect sales and use tax on behalf of the state from its customers. What qualifies as "doing business in this state" is what is understood as "nexus" among sales tax experts.

The bill modifies ~~and expands~~ the state's sales and use tax nexus provisions by:

- ! ~~Expanding~~ *Specifying* the types of activities that will create nexus with the state if conducted by any person that already has a physical presence in this state, other than a common carrier acting in its capacity as such, pursuant to an agreement or arrangement with an ~~out-of-state retailer~~ *person without direct in-state physical presence;*
- ! ~~Clarifying~~ *Specifying* that the ~~expanded~~ nexus provisions create a rebuttable presumption that the specified activities create substantial nexus for the ~~out-of-state retailer person without direct in-state physical presence;~~ *and*
- ! *Specifying certain activities to which the presumption does not apply to:*
  - ! *The purchase of advertisements to be delivered in this state on television, radio, newspapers, magazines, the internet, or any other mass-market medium;*
  - ! *Affiliate marketing agreements; or*
  - ! *Small businesses.*
- ! ~~Requiring an out-of-state retailer to collect and remit sales and use taxes if that retailer contracts with the state for the sale of tangible personal property or taxable services; and~~
- ! ~~Limiting the effect of the expanded nexus provisions to sales and use tax by specifying that the nexus does not apply to franchise, income, or other taxes.~~