

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

**PREAMENDED**

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

LLS NO. 14-0569.01 Ed DeCecco x4216

**HOUSE BILL 14-1094**

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**HOUSE SPONSORSHIP**

**Pabon**, Becker, Court, Exum, Fields, Gerou, Kagan, Labuda, Lebsock, Melton, Moreno, Peniston, Primavera, Rosenthal, Saine, Salazar, Singer

**SENATE SPONSORSHIP**

**Jahn**,

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**House Committees**

Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE CREATION OF A SALES AND USE TAX HOLIDAY FOR**  
102 **BACK-TO-SCHOOL ITEMS.**

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**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/bills summaries>.)*

**Section 1** of the bill creates a state sales and use tax exemption for back-to-school items. The exemption applies for 3 days in the beginning of August for a "back-to-school item", which is defined to mean clothing, shoes, or school supplies. Clothing includes sport and recreational equipment, but does not include clothing accessories. The exemption only

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.*

applies for an article of clothing, including shoes, that is less than \$75 and a school supply that is less than \$50.

The exemption period occurs in 5 consecutive years beginning with the first August after a fiscal year in which gross general fund revenues are estimated to be at least \$8.5 billion.

**Section 2** of the bill permits a town, city, or county to create a sales tax exemption that is identical to the state exemption.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-26-727 as  
3 follows:

4 **39-26-727. Back-to-school items - limits - legislative**  
5 **declaration - definitions.** (1) THE GENERAL ASSEMBLY HEREBY FINDS,  
6 DETERMINES, AND DECLARES THAT:

7 (a) STUDENTS TYPICALLY USE THE BACK-TO-SCHOOL ITEMS THAT  
8 ARE EXEMPTED FROM THE STATE SALES AND USE TAX BY THIS SECTION;

9 (b) MANY COLORADO FAMILIES PURCHASE THE ITEMS DURING THE  
10 BEGINNING OF AUGUST IN ANTICIPATION OF THE UPCOMING SCHOOL YEAR;

11 (c) IT WOULD BE ADMINISTRATIVELY UNWORKABLE TO LIMIT THE  
12 EXEMPTION OF THESE ITEMS TO STUDENTS OR FAMILIES OF STUDENTS, SO,  
13 ALTHOUGH THE EXEMPTION IS PRIMARILY FOCUSED ON HELPING  
14 STUDENTS, IT APPLIES TO ALL NONCOMMERCIAL PURCHASERS; AND

15 (d) THE PRIMARY PURPOSE OF THE TAX EXEMPTION INCLUDED IN  
16 THIS SECTION IS TO CREATE AN INCENTIVE FOR COLORADO FAMILIES TO  
17 PURCHASE BACK-TO-SCHOOL ITEMS AND TO SAVE THOSE FAMILIES MONEY.

18 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
19 REQUIRES:

20 (a) "BACK-TO-SCHOOL ITEM" MEANS AN ARTICLE OF CLOTHING OR  
21 A SCHOOL SUPPLY.

22 (b) "CLOTHING" HAS THE SAME MEANING AS SET FORTH IN THE

1 STREAMLINED SALES AND USE TAX AGREEMENT, AS AMENDED.  
2 "CLOTHING" DOES NOT INCLUDE CLOTHING ACCESSORIES OR EQUIPMENT  
3 OR SPORT OR RECREATIONAL EQUIPMENT, AS SUCH TERMS ARE DEFINED IN  
4 THE AGREEMENT, AS AMENDED.

5 (c) "SCHOOL SUPPLY" MEANS AN ART SUPPLY, BACKPACK, BINDER  
6 POCKET, BINDER, BLACKBOARD CHALK, BOOK BAG, CELLOPHANE TAPE,  
7 CLAY AND GLAZE, COMPASS, COMPOSITION BOOK, CRAYON SET,  
8 DICTIONARY OR THESAURUS, DRY ERASE MARKER AND ERASER, FOLDER,  
9 GLUE AND PASTE, HIGHLIGHTER, INDEX CARD SET AND BOX, LUNCH BOX,  
10 MAP OR GLOBE, MARKER, NOTEBOOK AND DIVIDER, PAPER OR PAD, PENCIL  
11 BOX OR OTHER BOXES FOR SCHOOL SUPPLIES, PENCIL SHARPENER, PENCIL  
12 AND ERASER, PEN, PROTRACTOR, POSTER BOARD, TACK, STAPLE, STAPLER,  
13 TAPE DISPENSER, PAPER CLIP, BINDER CLIP, PLASTIC COMPOSITION SLEEVE,  
14 SHEET PROTECTOR, EXPANDABLE FILE, ATLAS, PENCIL LEAD REFILL, FLASH  
15 CARD SET, RULER, SCISSORS, TEXTBOOK, AND WORKBOOK.

16  
17 (3) (a) DURING THE PERIOD BEGINNING AT 12:01 A.M. ON AUGUST  
18 1, 2014, AND ENDING AT MIDNIGHT ON AUGUST 3, 2014, THE SALE OF A  
19 BACK-TO-SCHOOL ITEM, THE COST OF WHICH IS LESS THAN THE LIMIT  
20 ESTABLISHED IN PARAGRAPH (b) OF THIS SUBSECTION (3), IS EXEMPT FROM  
21 THE TAX LEVIED PURSUANT TO PART 1 OF THIS ARTICLE.

22 (b) THE LIMIT FOR EACH BACK-TO-SCHOOL ITEM IS EQUAL TO  
23 SEVENTY-FIVE DOLLARS FOR AN ARTICLE OF CLOTHING AND FIFTY  
24 DOLLARS FOR A SCHOOL SUPPLY.

25  
26 (4) THE STORAGE, USE, OR CONSUMPTION OF A BACK-TO-SCHOOL  
27 ITEM THAT IS EXEMPT AT THE TIME OF PURCHASE FROM THE SALES TAX

1 PURSUANT TO SUBSECTION (3) OF THIS SECTION IS EXEMPT FROM THE USE  
2 TAX LEVIED PURSUANT TO PART 2 OF THIS ARTICLE.

3 (5) THIS SECTION DOES NOT APPLY TO A SALE OF A  
4 BACK-TO-SCHOOL ITEM FOR A COMMERCIAL USE.

5 **SECTION 2.** In Colorado Revised Statutes, 29-2-105, **amend** (1)  
6 (d) (I) (K) and (1) (d) (I) (L); and **add** (1) (d) (I) (M) as follows:

7 **29-2-105. Contents of sales tax ordinances and proposals.**

8 (1) The sales tax ordinance or proposal of any incorporated town, city,  
9 or county adopted pursuant to this article shall be imposed on the sale of  
10 tangible personal property at retail or the furnishing of services, as  
11 provided in paragraph (d) of this subsection (1). Any countywide or  
12 incorporated town or city sales tax ordinance or proposal shall include the  
13 following provisions:

14 (d) (I) A provision that the sale of tangible personal property and  
15 services taxable pursuant to this article shall be the same as the sale of  
16 tangible personal property and services taxable pursuant to section  
17 39-26-104, C.R.S., except as otherwise provided in this paragraph (d).  
18 The sale of tangible personal property and services taxable pursuant to  
19 this article shall be subject to the same sales tax exemptions as those  
20 specified in part 7 of article 26 of title 39, C.R.S.; except that the sale of  
21 the following may be exempted from a town, city, or county sales tax only  
22 by the express inclusion of the exemption either at the time of adoption  
23 of the initial sales tax ordinance or resolution or by amendment thereto:

24 (K) The exemption for sales that benefit a Colorado school  
25 specified in section 39-26-725, C.R.S.; and

26 (L) The exemption for sales by an association or organization of  
27 parents and teachers of public school students that is a charitable

1 organization as specified in section 39-26-718 (1) (c), C.R.S.; AND

2 (M) THE EXEMPTION FOR BACK-TO-SCHOOL ITEMS SPECIFIED IN  
3 SECTION 39-26-727, C.R.S., FOR THE SAME PERIOD THAT THE STATE  
4 EXEMPTION IS AVAILABLE.

5 **SECTION 3. 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.