

First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 15-0258.02 Ed DeCecco x4216

**HOUSE BILL 15-1228**

**HOUSE SPONSORSHIP**

**Mitsch Bush and Becker J.**, Priola, Buck, Coram, Dore, Lee, Pabon, Rankin, Ryden,  
Vigil, Williams

**SENATE SPONSORSHIP**

**Scott,**

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**House Committees**

Transportation & Energy  
Finance  
Appropriations

**Senate Committees**

State, Veterans, & Military Affairs  
Appropriations

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**A BILL FOR AN ACT**

101 **CONCERNING THE SPECIAL FUEL EXCISE TAX ON LIQUEFIED**  
102 **PETROLEUM GAS, AND, IN CONNECTION THEREWITH, MAKING AN**  
103 **APPROPRIATION.**

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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/billsummaries>.)*

The bill makes the following changes related to how the special fuel excise tax on liquefied petroleum gas (LPG) is imposed, collected, and administered in this state:

! Adds a private commercial fleet operator that uses LPG to the definition of "distributor"; **(Section 2)**

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  
3rd Reading Unamended  
May 4, 2015

SENATE  
2nd Reading Unamended  
May 1, 2015

HOUSE  
3rd Reading Unamended  
April 27, 2015

HOUSE  
Amended 2nd Reading  
April 23, 2015

- ! Changes the definition of "gallons" for LPG from a gross gallon to a net gallon, which accounts for temperature differences that affect LPG measurements; **(Section 2)**
- ! Limits the imposition of the tax so that in most instances it is only levied when LPG is placed in a motor vehicle's fuel tank, which is currently defined as a "use", instead of when the fuel is acquired, sold, offered for sale, or used for any purpose whatsoever; **(Section 3)**
- ! Requires a distributor that uses LPG from a cargo tank to propel a cargo tank motor vehicle to pay the tax on the gallons of LPG used to propel the motor vehicle, based on the vehicle's miles traveled; **(Section 3)**
- ! Requires a distributor that places the LPG in a fuel tank to pay the tax or, if none, for a nondistributor user to pay it; **(Section 3)**
- ! Eliminates the 2% allowance for LPG lost in transit or in handling; **(Section 3)**
- ! Prohibits the department of revenue from collecting any penalties or interest related to the LPG excise tax that is due from January 1, 2014, until January 1, 2016; **(Section 5)**
- ! Eliminates the minimum \$25,000 bond amount for LPG distributors; **(Section 6)**
- ! Requires the department of revenue to update its fuel tracking system to accommodate the LPG excise tax changes; and **(Section 8)**
- ! Eliminates the requirement that a LPG distributor preprint the serially numbered invoices for each sale or transfer of LPG. **(Section 9)**

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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 special fuel excise tax applies to fuels that are used for the  
 5 generation of power to propel a motor vehicle on the highways of this  
 6 state;

7           (b) The tax is imposed on special fuel that is acquired, sold,  
 8 offered for sale, or used in this state for any purpose whatsoever;

1 (c) Liquefied petroleum gas is a type of special fuel subject to this  
2 broad excise tax;

3 (d) Ninety-five percent of all liquefied petroleum gas is not used  
4 as special fuel;

5 (e) The special fuel tax is often levied on liquefied petroleum gas  
6 that is not used as special fuel; and

7 (f) As a result, sellers of liquefied petroleum gas are unnecessarily  
8 burdened with administrative requirements, and consumers may  
9 ultimately pay more for gas that is used to heat their homes or for other  
10 nonvehicle purposes.

11 (2) Now, therefore, the general assembly declares that the  
12 purpose of this act is to modify the special fuel tax to properly apply the  
13 tax to liquefied petroleum gas that is actually used as special fuel.

14 **SECTION 2.** In Colorado Revised Statutes, 39-27-101, **amend**  
15 (7) (a) (IV), (7) (a) (V), (11), and (34); and **add** (4.3), (4.7), (7) (a) (VI),  
16 and (7) (d) as follows:

17 **39-27-101. Definitions - construction.** As used in this part 1,  
18 unless the context otherwise requires:

19 (4.3) "CARGO TANK" MEANS A BULK PACKAGING THAT:

20 (a) IS A TANK INTENDED PRIMARILY FOR THE CARRIAGE OF LIQUIDS,  
21 GASES, SOLIDS, OR SEMI-SOLIDS AND INCLUDES APPURTENANCES,  
22 REINFORCEMENTS, FITTINGS, AND CLOSURES;

23 (b) IS PERMANENTLY ATTACHED TO OR FORMS A PART OF A MOTOR  
24 VEHICLE, OR IS NOT PERMANENTLY ATTACHED TO A MOTOR VEHICLE BUT  
25 THAT, BY REASON OF ITS SIZE, CONSTRUCTION, OR ATTACHMENT TO A  
26 MOTOR VEHICLE, IS LOADED OR UNLOADED WITHOUT BEING REMOVED  
27 FROM THE MOTOR VEHICLE;

1 (c) IS NOT FABRICATED UNDER A SPECIFICATION FOR CYLINDERS,  
2 INTERMEDIATE BULK CONTAINERS, MULTI-UNIT TANK CAR TANKS,  
3 PORTABLE TANKS, OR TANK CARS; AND

4 (d) IS NOT PRIMARILY INTENDED TO PROVIDE FUEL FOR THE  
5 PROPULSION OF THE MOTOR VEHICLE.

6 (4.7) "CARGO TANK MOTOR VEHICLE" MEANS A MOTOR VEHICLE  
7 WITH ONE OR MORE CARGO TANKS PERMANENTLY ATTACHED TO OR  
8 FORMING AN INTEGRAL PART OF THE MOTOR VEHICLE.

9 (7) (a) "Distributor" means:

10 (IV) A private commercial fleet operator that uses ~~liquefied~~  
11 ~~petroleum gas~~ or natural gas from a public utility, as defined in section  
12 40-1-103 (1), C.R.S., if:

13 (A) The public utility is not a distributor with respect to the sale  
14 of the ~~liquefied petroleum gas~~ or natural gas; and

15 (B) The commercial fleet operator has not contracted with another  
16 person to be a distributor under subparagraph (V) of this paragraph (a);  
17 or

18 (V) Any person who contracts with a private commercial fleet  
19 operator to be a distributor on behalf of the operator; OR

20 (VI) A PRIVATE COMMERCIAL FLEET OPERATOR THAT USES  
21 LIQUEFIED PETROLEUM GAS, IF THE OPERATOR HAS NOT CONTRACTED WITH  
22 A PERSON TO BE A DISTRIBUTOR ON BEHALF OF THE OPERATOR.

23 (d) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (7) TO  
24 THE CONTRARY, A PERSON WHO MEETS THE REQUIREMENTS OF SECTION  
25 39-27-104 (5) (a) IS NOT A DISTRIBUTOR.

26 (11) "Gallons" means gallons as measured on a gross gallons  
27 basis, as defined in section 8-20-201 (3), C.R.S.; except that:

1           (a) (I) For purposes of A VENDOR WHO SELLS compressed  
2 natural gas AT RETAIL, "gallons" means gallons as measured by IN  
3 ACCORDANCE WITH THE MASS LABELING REQUIREMENTS FOR GASOLINE  
4 EQUIVALENTS THAT ARE INCLUDED IN SECTION 3-3 OF THE RULES  
5 PROMULGATED BY THE DIVISION OF OIL AND PUBLIC SAFETY IN THE  
6 DEPARTMENT OF LABOR AND EMPLOYMENT, OR ANY SUCCESSOR RULE;

7           (II) FOR ALL DISTRIBUTORS OF COMPRESSED NATURAL GAS OTHER  
8 THAN THOSE SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (a),  
9 "GALLONS" MEANS GALLONS AS MEASURED IN ACCORDANCE WITH  
10 WHICHEVER OF THE FOLLOWING WAS THE BASIS FOR THE SALE OF THE GAS  
11 TO THE DISTRIBUTOR:

12           (A) The volumetric reporting requirements that are included in the  
13 federal excise tax return, form 720, established by the federal internal  
14 revenue service, or any successor form that is used for paying the federal  
15 fuel tax;

16           (B) THE MASS LABELING REQUIREMENTS FOR GASOLINE  
17 EQUIVALENTS THAT ARE INCLUDED IN SECTION 3-3 OF THE RULES  
18 PROMULGATED BY THE DIVISION OF OIL AND PUBLIC SAFETY IN THE  
19 DEPARTMENT OF LABOR AND EMPLOYMENT, OR ANY SUCCESSOR RULE; OR

20           (C) THE ENERGY MEASURE INCLUDED IN THE DEFINITION FOR  
21 GASOLINE GALLON EQUIVALENT IN SECTION 1-6 OF THE RULES  
22 PROMULGATED BY THE DIVISION OF OIL AND PUBLIC SAFETY IN THE  
23 DEPARTMENT OF LABOR AND EMPLOYMENT, OR ANY SUCCESSOR RULE;  
24 AND

25           (b) FOR PURPOSES OF LIQUEFIED PETROLEUM GAS, "GALLONS"  
26 MEANS GALLONS AS MEASURED ON A NET GALLON BASIS AS DEFINED IN  
27 SECTION 8-20-201 (5), C.R.S.

1 (34) "Use" or "uses" means the placing of special fuel into any  
2 fuel tank, unless it is established to the satisfaction of the executive  
3 director of the department of revenue that the fuel was consumed for a  
4 purpose other than to propel a motor vehicle on the highways of this state.  
5 With respect to fuel brought into this state in a fuel tank, "use" means the  
6 consumption of the fuel in this state. A vendor placing special fuel OTHER  
7 THAN LIQUEFIED PETROLEUM GAS into a fuel tank of a motor vehicle not  
8 owned by the vendor is not deemed to have used the fuel.

9 **SECTION 3.** In Colorado Revised Statutes, 39-27-102, **amend**  
10 (1) (a) (I), (1) (b) (I),   and (2.5) as follows:

11 **39-27-102. Tax imposed on gasoline and special fuel - deposits**  
12 **- penalties.** (1) (a) (I) (A) An excise tax is imposed and shall be collected  
13 on all gasoline or special fuel acquired, sold, offered for sale, or used in  
14 this state for any purpose whatsoever, but only one tax shall be paid upon  
15 the same gasoline or special fuel in this state. Except as otherwise  
16 provided in this subparagraph (I), no more than three tax-deferred  
17 transactions shall take place after the gasoline or special fuel has left the  
18 terminal of its origin, either within or outside of this state; except that, for  
19 purposes of counting the applicable transactions in order to collect the tax  
20 imposed by this subparagraph (I), counting shall begin when the gasoline  
21 or special fuel first enters this state, whether by truck or by rail. If more  
22 than three distributors acquire the gasoline or special fuel, the third  
23 distributor shall be liable for payment of the tax imposed. Nothing in this  
24 paragraph (a) shall preclude previous distributors from paying the tax. A  
25 distributor shall not be required to pay tax on gasoline or special fuel that  
26 is exempt pursuant to section 39-27-103 (2). The tax imposed shall be  
27 computed upon the total amount of gasoline or special fuel, measured in

1 gallons, acquired by each distributor in this state and shall be paid in the  
2 manner provided in this section. FOR PURPOSES OF THIS  
3 SUB-SUBPARAGRAPH (A), "SPECIAL FUEL" DOES NOT INCLUDE LIQUEFIED  
4 PETROLEUM GAS.

5 (B) AN EXCISE TAX IS IMPOSED ON LIQUEFIED PETROLEUM GAS  
6 WHEN IT IS PLACED IN A FUEL TANK, UNLESS THE USE OF THE SPECIAL FUEL  
7 IS EXEMPT. THE TAX IMPOSED IS COMPUTED UPON THE TOTAL AMOUNT OF  
8 LIQUEFIED PETROLEUM GAS, MEASURED IN GALLONS, THAT IS PLACED IN  
9 THE FUEL TANK. IF THE LIQUEFIED PETROLEUM GAS IS PLACED IN THE FUEL  
10 TANK BY A DISTRIBUTOR, THE DISTRIBUTOR SHALL PAY THE TAX TO THE  
11 DEPARTMENT OF REVENUE IN ACCORDANCE WITH THIS SECTION. ■ ■

12 (C) IF A DISTRIBUTOR USES LIQUEFIED PETROLEUM GAS FROM A  
13 CARGO TANK TO PROPEL A CARGO TANK MOTOR VEHICLE ON THE  
14 HIGHWAYS IN THIS STATE, AN EXCISE TAX IS IMPOSED ON THE LIQUEFIED  
15 PETROLEUM GAS THAT IS USED AS SPECIAL FUEL. THE LIQUEFIED  
16 PETROLEUM GAS THAT IS CARRIED IN THE CARGO TANK BUT NOT USED AS  
17 SPECIAL FUEL IS NOT SUBJECT TO THE EXCISE TAX. THE TAX IMPOSED IS  
18 COMPUTED UPON AN ESTIMATE OF THE TOTAL AMOUNT OF LIQUEFIED  
19 PETROLEUM GAS, MEASURED IN GALLONS, USED TO PROPEL THE CARGO  
20 TANK MOTOR VEHICLE BASED ON THE NUMBER OF MILES THAT THE  
21 VEHICLE TRAVELED. A DISTRIBUTOR SHALL REPORT TO THE DEPARTMENT  
22 OF REVENUE THE NUMBER OF MILES THAT THE VEHICLE TRAVELED BASED  
23 ON ODOMETER READINGS. THE DEPARTMENT SHALL ESTABLISH THE FORM  
24 TO BE USED TO REPORT THIS INFORMATION.

25 (b) (I) In the case of gasoline or special fuel shipped to a  
26 distributor from a terminal, the amount of gasoline or special fuel  
27 acquired is deemed to be the amount shipped from the terminal, as shown

1 by the terminal manifest; except that an allowance of two percent of the  
2 total amount of gasoline or special fuel acquired during any calendar  
3 month, as shown by terminal manifests, shall be deducted by the licensed  
4 distributor to cover losses in transit and in unloading the gasoline or  
5 special fuel and costs of collection and payment to the state of the tax  
6 imposed by this section, out of which allowance the distributor shall make  
7 to each retailer an allowance of one percent of the amount of gasoline or  
8 special fuel delivered during each calendar month by the distributor to the  
9 retailer, as shown by delivery invoices signed by the retailer, BUT THERE  
10 IS NO ALLOWANCE FOR LIQUEFIED PETROLEUM GAS.

11

12 (2.5) Except as otherwise provided in paragraph (b) of subsection  
13 (2) of this section, every person who imports gasoline or special fuel  
14 OTHER THAN LIQUEFIED PETROLEUM GAS into this state for use or sale in  
15 this state without a valid importer, supplier, blender, or distributor license  
16 is liable for and shall pay an excise tax pursuant to paragraph (a) of  
17 subsection (1) of this section on all gasoline or special fuel such person  
18 imports for use or sale in this state. In addition to the excise tax, such  
19 person shall be subject to the civil penalties set forth in subsection (9) of  
20 this section. EVERY PERSON WHO IMPORTS LIQUEFIED PETROLEUM GAS  
21 INTO THIS STATE WITHOUT A VALID IMPORTER, SUPPLIER, OR DISTRIBUTOR  
22 LICENSE IS SUBJECT TO THE CIVIL PENALTIES SET FORTH IN SUBSECTION (9)  
23 OF THIS SECTION. Immediately upon discovery of a violation of this  
24 subsection (2.5), the department of revenue and agents thereof may  
25 demand payment of such excise tax, IF OWED, and all applicable fines  
26 associated with the unlicensed importation of gasoline or special fuel and  
27 may detain the shipment of gasoline or special fuel until such excise tax



1 and fines are collected.

2 **SECTION 4.** In Colorado Revised Statutes, 39-27-102.5, **amend**

3 (3) (a) as follows:

4 **39-27-102.5. Exemptions on tax imposed - ex-tax purchases.**

5 (3) (a) The tax collected by the distributor pursuant to this section is  
6 deemed to have been received by the distributor at the time ~~such~~ THE fuel  
7 is acquired OR, IN THE CASE OF LIQUEFIED PETROLEUM GAS, AT THE TIME  
8 THE FUEL IS PLACED IN A FUEL TANK OR USED TO PROPEL A CARGO TANK  
9 MOTOR VEHICLE, irrespective of when payment is received by the  
10 distributor for the amount of the invoice, including the tax, and the tax  
11 required to be collected by the distributor constitutes a debt owed by the  
12 distributor to this state.

13 **SECTION 5.** In Colorado Revised Statutes, 39-27-103, **add** (7)

14 as follows:

15 **39-27-103. Refunds - penalties - checkoff - limits on**

16 **collections.** (7) NOTWITHSTANDING ANY PROVISION OF LAW TO THE  
17 CONTRARY, THE DEPARTMENT OF REVENUE SHALL NOT COLLECT ANY  
18 PENALTIES OR INTEREST RELATED TO THE TAX IMPOSED UNDER THIS PART  
19 1 FOR LIQUEFIED PETROLEUM GAS THAT, FROM JANUARY 1, 2014, UNTIL  
20 JANUARY 1, 2016, IS ACQUIRED, SOLD, OFFERED FOR SALE, OR USED IN THIS  
21 STATE FOR ANY PURPOSE WHATSOEVER. THE DEPARTMENT SHALL REFUND  
22 ANY OF THESE PROHIBITED PENALTIES OR INTEREST THAT WERE  
23 COLLECTED PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION (7).

24 **SECTION 6.** In Colorado Revised Statutes, 39-27-104, **amend**

25 (2) (a) (I) and (2) (b); and **add** (5) as follows:

26 **39-27-104. License and deposit - exception.** (2) (a) (I) (A) No  
27 license to act as a distributor, refiner, or terminal operator of gasoline or

1 special fuel shall be issued until the applicant therefor has deposited with  
2 the department of revenue evidence of a savings account, deposit, or  
3 certificate of deposit meeting the requirements of section 11-35-101,  
4 C.R.S., or a surety bond or a negotiable certificate of deposit issued by a  
5 commercial bank doing business in this state acceptable to the executive  
6 director of the department of revenue. When such deposit is a surety  
7 bond, such bond shall be in the sum of approximately three times the  
8 monthly tax liability estimated by the executive director to become due  
9 by the licensee, except ~~that the amount of the surety bond shall never be~~  
10 ~~less than twenty-five thousand dollars nor more than two hundred~~  
11 ~~thousand dollars~~ AS OTHERWISE LIMITED IN SUB-SUBPARAGRAPH (B) OF  
12 THIS SUBPARAGRAPH (I). If the deposit is a surety bond, it shall also be  
13 conditioned upon compliance by the distributor or refiner with all  
14 provisions of this part 1 and payment of all taxes and penalties to become  
15 due and payable thereunder; if it is a negotiable certificate of deposit, it  
16 shall be subject to forfeiture upon failure of the distributor or refiner to  
17 comply with said provisions or to pay all said taxes and penalties. Upon  
18 approval by the executive director of the application, a license to act as  
19 a distributor or refiner shall be issued to the applicant.

20 (B) FOR GASOLINE AND SPECIAL FUEL OTHER THAN LIQUEFIED  
21 PETROLEUM GAS, THE AMOUNT OF THE SURETY BOND MUST NEVER BE LESS  
22 THAN TWENTY-FIVE THOUSAND DOLLARS NOR MORE THAN TWO HUNDRED  
23 THOUSAND DOLLARS. FOR LIQUEFIED PETROLEUM GAS, THE AMOUNT OF  
24 THE SURETY BOND MUST NEVER BE MORE THAN TWO HUNDRED THOUSAND  
25 DOLLARS.

26 (b) If at any time after issuance of the license the executive  
27 director of the department of revenue finds that the licensee is USING

1 LIQUEFIED PETROLEUM GAS OR acquiring gasoline or special fuel OTHER  
2 THAN LIQUEFIED PETROLEUM GAS in a quantity that makes the licensee  
3 liable for payment of excise tax, for the preceding and current month in  
4 an amount greater than the amount of the deposit, the executive director  
5 shall, by written notice to the licensee, demand an additional surety bond  
6 or negotiable certificate of deposit to be deposited in an amount  
7 determined necessary to secure payment of a greater amount of taxes, but  
8 the aggregate amount of deposit shall in no event exceed two hundred  
9 thousand dollars. If the licensee fails or refuses within ten days after  
10 receipt of the written notice and demand to deposit an additional surety  
11 bond or negotiable certificate of deposit in the amount determined, the  
12 executive director may by written notice suspend or revoke the license  
13 held by the licensee. The requirements of this section relative to making  
14 a deposit shall apply only to distributors who are liable to the state for  
15 payment of the tax imposed by section 39-27-102.

16 (5) (a) A PERSON WHO SELLS LIQUEFIED PETROLEUM GAS AT THE  
17 RETAIL LEVEL OF TRADE THAT IS NOT USED AS SPECIAL FUEL DOES NOT ACT  
18 AS A DISTRIBUTOR AND DOES NOT NEED TO BE LICENSED AS ONE UNDER  
19 THIS SECTION IF THE PERSON:

20 (I) SUBMITS AN AFFIDAVIT, SIGNED UNDER PENALTY OF PERJURY,  
21 STATING THAT THE PERSON WILL NOT PLACE LIQUEFIED PETROLEUM GAS  
22 IN A FUEL TANK AS PART OF ANY SALE AND THAT, IF THE PERSON DOES  
23 PLACE THE FUEL IN A FUEL TANK, THE PERSON IS SUBJECT TO THE  
24 PENALTIES SET FORTH IN THIS SECTION; AND


25 (II) CONSPICUOUSLY POSTS AT THE DISTRIBUTION POINT A SIGN  
26 INDICATING THAT THE LIQUEFIED PETROLEUM GAS IS NOT FOR SALE FOR  
27 USE IN MOTOR VEHICLES.

1 (b) THE DEPARTMENT OF REVENUE SHALL ESTABLISH THE FORM OF  
2 THE AFFIDAVIT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS SUBSECTION  
3 (5).

4 SECTION 7. In Colorado Revised Statutes, 39-27-105, **amend**  
5 (1) introductory portion, (1.3) (c), (1.3) (d), (2), (6) (a), and (7) (a); and  
6 **add** (1.2) and (1.3) (f) as follows:

7 **39-27-105. Collection of tax on gasoline and special fuel.** (1) In  
8 addition to the reporting requirements set forth in subsection (1.5) of this  
9 section, every distributor, supplier, carrier, exporter, importer, blender,  
10 refiner, or terminal operator of gasoline or special fuel OTHER THAN  
11 LIQUEFIED PETROLEUM GAS on or before the twenty-sixth day of each  
12 calendar month shall file with the executive director of the department of  
13 revenue, on forms prescribed and furnished by the department, an  
14 itemized statement made under penalty of perjury in the second degree,  
15 showing the following:

16 (1.2) (a) EVERY DISTRIBUTOR, EXPORTER, OR IMPORTER OF  
17 LIQUEFIED PETROLEUM GAS ON OR BEFORE THE TWENTY-SIXTH DAY OF  
18 EACH CALENDAR MONTH SHALL FILE WITH THE EXECUTIVE DIRECTOR OF  
19 THE DEPARTMENT OF REVENUE, ON FORMS PRESCRIBED AND FURNISHED BY  
20 THE DEPARTMENT, A STATEMENT MADE UNDER PENALTY OF PERJURY IN  
21 THE SECOND DEGREE, SHOWING THE FOLLOWING AGGREGATED AMOUNTS:

22   
23 (I) THE NUMBER OF GALLONS OF LIQUEFIED PETROLEUM GAS THAT  
24 THE DISTRIBUTOR PLACED IN A FUEL TANK AND THAT ARE SUBJECT TO THE  
25 EXCISE TAX UNDER THIS PART 1;

26 (II) THE NUMBER OF GALLONS OF LIQUEFIED PETROLEUM GAS THAT  
27 THE DISTRIBUTOR PLACED IN A FUEL TANK AND THAT ARE EXEMPT FROM

1 THE EXCISE TAX UNDER THIS PART 1;

2

3 (III) THE NUMBER OF GALLONS OF LIQUEFIED PETROLEUM GAS,  
4 NOT PLACED IN A FUEL TANK, THAT ARE SOLD TO THE STATE OF  
5 COLORADO, ANY OF ITS AGENCIES, ANY TOWN, CITY, COUNTY, CITY AND  
6 COUNTY, SCHOOL DISTRICT OF THIS STATE, OR ANY OTHER POLITICAL  
7 SUBDIVISION OF THIS STATE;

8

9 (IV) THE NUMBER OF GALLONS OF LIQUEFIED PETROLEUM GAS  
10 SOLD TO A NONPROFIT TRANSIT AGENCY THAT ARE NOT PLACED IN A FUEL  
11 TANK;

12

13 (V) THE NUMBER OF GALLONS OF LIQUEFIED PETROLEUM GAS  
14 IMPORTED INTO THE STATE; AND

15 (VI) THE NUMBER OF GALLONS OF LIQUEFIED PETROLEUM GAS  
16 EXPORTED FROM THIS STATE.

17 (b) SUBSECTION (1.5) OF THIS SECTION DOES NOT APPLY TO A  
18 LICENSEE WITH RESPECT TO LIQUEFIED PETROLEUM GAS.

19 (1.3) (c) Distributors may aggregate figures stated in the reports  
20 required by this part 1 for ~~liquefied petroleum gas~~ and natural gas for all  
21 service stations or other facilities that dispense ~~liquefied petroleum gas~~  
22 ~~or~~ natural gas for sale to users and that are owned or operated by the same  
23 distributor.

24 (d) Distributors may aggregate figures stated in the reports  
25 required by this part 1 for ~~liquefied petroleum gas~~ and natural gas for  
26 sales of such fuels to a particular class or type of individual user.  
27 Distributors of ~~liquefied petroleum gas~~ and natural gas shall not be

1 required to separately report the amount of sales to individual users.

2 (f) DISTRIBUTORS OF LIQUEFIED PETROLEUM GAS SHALL  
3 AGGREGATE FIGURES STATED IN THE REPORTS REQUIRED BY THIS PART 1.

4 (2) It is the duty of every distributor of gasoline or special fuel  
5 OTHER THAN LIQUEFIED PETROLEUM GAS to compute the amount of tax  
6 payable on all gasoline or special fuel acquired during the preceding  
7 calendar month at the rate of tax per gallon imposed thereon in section  
8 39-27-102 (1), and, in computing the amount of tax, the allowance of two  
9 percent provided for in section 39-27-102 (1) shall be taken into account.

10 IT IS THE DUTY OF EVERY DISTRIBUTOR OF LIQUEFIED PETROLEUM GAS TO  
11 COMPUTE THE AMOUNT OF TAX PAYABLE ON THE LIQUEFIED PETROLEUM  
12 GAS PLACED IN A FUEL TANK OR USED TO PROPEL A CARGO TANK MOTOR  
13 VEHICLE IN THE PRECEDING CALENDAR MONTH AT THE RATE OF TAX PER  
14 GALLON IMPOSED THEREON. From the amount of tax so computed, the  
15 distributor of gasoline or special fuel shall deduct one-half of one percent  
16 to cover expenses of collection of the tax and bad debt losses and shall  
17 pay the remaining balance to the department of revenue at the time of  
18 filing the statement required to be filed by the provisions of this section.  
19 A penalty of thirty dollars or ten percent of the tax due, plus one-half of  
20 one percent per month from the date when due, not to exceed eighteen  
21 percent in the aggregate, whichever is greater, shall be imposed for failure  
22 to file any statement when due or pay the tax as provided in this section,  
23 in addition to any other penalties provided by this part 1.

24 (6) (a) Every person who imports special fuel into this state for  
25 use or sale in this state without a single trip permit or a valid importer's,  
26 supplier's, or distributor's license is liable for and shall pay an excise tax  
27 pursuant to section 39-27-102 (1) on all undyed special fuel OTHER THAN

1 LIQUEFIED PETROLEUM GAS such person imports for use or sale in this  
2 state.

3 (7) (a) If any person other than a licensed distributor or supplier  
4 physically diverts to one or more destinations within the boundaries of  
5 this state all or any portion of a shipment of gasoline or special fuel that  
6 is claimed as an export on the bill of lading or other affidavit, such person  
7 shall report to the department of revenue the destinations within this state  
8 to which the diverted gasoline or special fuel shipment was delivered  
9 within one working day after such diversion. Such person shall be liable  
10 for payment of the excise tax established in this part 1 on the amount of  
11 gasoline or special fuel OTHER THAN LIQUEFIED PETROLEUM GAS diverted  
12 to a destination within this state.

13 **SECTION 8.** In Colorado Revised Statutes, **amend** 39-27-109.7  
14 as follows:

15 **39-27-109.7. Data collection services.** In order to track the  
16 movement of gasoline or special fuel within this state and thereby  
17 facilitate and expedite the collection of excise taxes imposed pursuant to  
18 this part 1, the executive director of the department of revenue may enter  
19 into a contract with one or more private entities for the provision of a  
20 computer-based program to monitor and track the data that licensees are  
21 required to report to the department pursuant to this part 1. Such  
22 computer-based program shall be funded solely with moneys from the  
23 highway users tax fund; except that, for the state fiscal year 2009-10, up  
24 to thirty-seven thousand six hundred thirty dollars for the computer-based  
25 program to monitor and track exempt dyed diesel fuel that is blended with  
26 biodiesel fuel after withdrawal at a terminal rack or refinery rack pursuant  
27 to section 39-27-102.5 (2) (a) may be funded by moneys received by the

1 governor's energy office created in section 24-38.5-101, C.R.S., as said  
2 office existed prior to July 1, 2012, from the United States department of  
3 energy. THE DEPARTMENT SHALL UPDATE THE COMPUTER-BASED  
4 PROGRAM TO MONITOR AND TRACK THE DATA THAT LIQUEFIED  
5 PETROLEUM LICENSEES ARE REQUIRED TO REPORT TO THE DEPARTMENT  
6 PURSUANT TO THIS PART 1 BASED ON THE CHANGES IN HOUSE BILL  
7 15-1228, ENACTED IN 2015.

8 **SECTION 9.** In Colorado Revised Statutes, 39-27-110, **add** (3)  
9 (d) as follows:

10 **39-27-110. Inspection of records.** (3)(d) A SERIALY NUMBERED  
11 INVOICE FOR THE SALE OR TRANSFER OF LIQUEFIED PETROLEUM GAS  
12 REQUIRED UNDER PARAGRAPHS (b) AND (c) OF THIS SUBSECTION (3) DOES  
13 NOT HAVE TO BE PREPRINTED.

14 **SECTION 10. Appropriation.** For the 2015-16 state fiscal year,  
15 \$73,440 is appropriated to the department of revenue. This appropriation  
16 is from the highway users tax fund created in section 43-4-201 (1) (a),  
17 C.R.S. To implement this act, the department may use this appropriation  
18 for the fuel tracking system.

19 **SECTION 11. Act subject to petition - effective date.** Sections  
20 2, 3, 4, 6, 7, and 9 of this act take effect January 1, 2016, and the  
21 remainder of this act takes effect at 12:01 a.m. on the day following the  
22 expiration of the ninety-day period after final adjournment of the general  
23 assembly (August 5, 2015, if adjournment sine die is on May 6, 2015);  
24 except that, if a referendum petition is filed pursuant to section 1 (3) of  
25 article V of the state constitution against this act or an item, section, or  
26 part of this act within such period, then the act, item, section, or part will  
27 not take effect unless approved by the people at the general election to be



- 1 held in November 2016 and, in such case, will take effect on the date of
- 2 the official declaration of the vote thereon by the governor.