

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 25-0884.01 Rebecca Bayetti x4348

HOUSE BILL 25-1311

HOUSE SPONSORSHIP

McCluskie and Soper,

SENATE SPONSORSHIP

Roberts,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE DEDUCTION FOR FREE BETS ALLOWED FOR THE**
102 **PURPOSE OF CALCULATING NET SPORTS BETTING PROCEEDS.**

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://leg.colorado.gov>.)

As approved by voters in 2019, a tax of 10% is imposed on net sports betting proceeds. Under current law, for the purpose of calculating its net sports betting proceeds, a sports betting operator or internet sports betting operator is allowed to deduct all payments to players, all federal excise taxes paid, and a certain percentage of free bets placed by players. Beginning on September 1, 2025, the bill removes the deduction for all

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

free bets placed.

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

SECTION 1. In Colorado Revised Statutes, 44-30-1501, **amend** (7)(c)(I) introductory portion, (7)(c)(I)(B), and (7)(c)(I)(C); **repeal** (7)(c)(I)(D); and **add** (7)(c)(I.5) as follows:

44-30-1501. Definitions - rules. Definitions applicable to this part 15 also appear in section 44-30-103 and article 1 of this title 44. As used in this part 15, unless the context otherwise requires:

(7) (c) (I) On and after January 1, 2023, THROUGH AUGUST 31, 2025, when determining the free bets deduction used for calculating "net sports betting proceeds" each month, as described in subsection (7)(a) of this section, a sports betting operator or internet sports betting operator shall include only a portion of the total free bets placed by players with the sports betting operator or internet sports betting operator, as follows:

(B) On and after July 1, 2024, through June 30, 2025, no more than two and one-fourth percent of the total amount of all bets placed by players with that sports betting operator or internet sports betting operator each month; AND

(C) On and after July 1, 2025, through ~~June 30, 2026~~ AUGUST 31, 2025, no more than two percent of the total amount of all bets placed by players with that sports betting operator or internet sports betting operator each month. ~~and~~

~~(D) On and after July 1, 2026, no more than one and three-quarters percent of the total amount of all bets placed by players with that sports betting operator or internet sports betting operator each month.~~

1 (I.5) ON AND AFTER SEPTEMBER 1, 2025, A SPORTS BETTING
2 OPERATOR OR INTERNET SPORTS BETTING OPERATOR SHALL NOT DEDUCT
3 ANY FREE BETS PLACED BY PLAYERS WITH THE SPORTS BETTING OPERATOR
4 OR INTERNET SPORTS BETTING OPERATOR.

5 **SECTION 2. Act subject to petition - effective date.** This act
6 takes effect at 12:01 a.m. on the day following the expiration of the
7 ninety-day period after final adjournment of the general assembly; except
8 that, if a referendum petition is filed pursuant to section 1 (3) of article V
9 of the state constitution against this act or an item, section, or part of this
10 act within such period, then the act, item, section, or part will not take
11 effect unless approved by the people at the general election to be held in
12 November 2026 and, in such case, will take effect on the date of the
13 official declaration of the vote thereon by the governor.