

CHAPTER 45

TAXATION

HOUSE BILL 24-1041

BY REPRESENTATIVE(S) Kipp and Taggart, Bird, Clifford, Duran, Hamrick, Lindstedt, Lynch, Marshall, Ricks, Titone, Valdez, Weinberg, Wilson, Young, McCluskie;
also SENATOR(S) Bridges and Van Winkle, Baisley, Cutter, Exum, Kirkmeyer, Liston, Michaelson Jenet, Pelton B., Priola, Roberts, Smallwood, Zenzinger.

AN ACT

**CONCERNING THE STREAMLINING OF PROCESSES FOR FILING SALES AND USE TAX RETURNS, AND,
IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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

SECTION 1. In Colorado Revised Statutes, 29-2-106, **amend** (8) as follows:

29-2-106. Collection - administration - enforcement. (8) Uniform collection procedures. (a) Each home rule city, town, and city and county shall follow, and conform its ordinances where necessary to, the statute of limitations applicable to the enforcement of state sales and use tax collections, the statute of limitations applicable to refunds of state sales and use taxes, the amount of penalties and interest payable on delinquent remittances of state sales and use taxes, and the posting of bonds pursuant to section 39-21-1050. ~~C.R.S.~~

(b) A HOME RULE CITY, TOWN, AND CITY AND COUNTY THAT COLLECTS ITS OWN SALES AND USE TAX AND DOES NOT USE THE ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM CREATED IN SECTION 39-26-802.7 SHALL NOT COLLECT SALES AND USE TAX FROM A RETAILER THAT DOES NOT HAVE PHYSICAL PRESENCE IN THE STATE UNLESS THE RETAILER ELECTS TO COLLECT AND REMIT SALES AND USE TAX OR ENTERS INTO A VOLUNTARY COLLECTION AGREEMENT WITH A HOME RULE CITY, TOWN, OR CITY AND COUNTY.

SECTION 2. In Colorado Revised Statutes, **amend** 39-26-109 as follows:

39-26-109. Reports of vendor. (1) If the accounting methods regularly employed by the vendor in the transaction of ~~his~~ THE VENDOR'S business, or other

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

conditions, are such that reports of sales made on a calendar-month basis will impose unnecessary hardship, the executive director of the department of revenue, upon written request of the vendor, may accept reports at such intervals as will in ~~his~~ THE EXECUTIVE DIRECTOR'S opinion better suit the convenience of the taxpayer and will not jeopardize the collection of the tax AS FOLLOWS:

(a) FOR RETURNS THAT MUST BE FILED BEFORE JANUARY 1, 2025, the executive director may by rule permit taxpayers whose monthly tax collected is less than three hundred dollars to make returns and pay taxes at intervals not greater than every three months;

(b) FOR RETURNS THAT MUST BE FILED ON OR AFTER JANUARY 1, 2025, THE EXECUTIVE DIRECTOR MAY BY RULE PERMIT TAXPAYERS WHOSE MONTHLY TAX COLLECTED IS LESS THAN SIX HUNDRED DOLLARS TO MAKE RETURNS AND PAY TAXES AT INTERVALS NOT GREATER THAN EVERY THREE MONTHS; AND

(c) FOR RETURNS THAT MUST BE FILED ON OR AFTER JANUARY 1, 2026, THE EXECUTIVE DIRECTOR MAY BY RULE INCREASE THE AMOUNT OF MONTHLY TAX COLLECTED SET FORTH IN SUBSECTION (1)(b) OF THIS SECTION.

SECTION 3. Appropriation. (1) For the 2024-25 state fiscal year, \$17,200 is appropriated to the department of revenue. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:

(a) \$9,625 for personal services related to administration and support;

(b) \$4,416 for personal services related to taxation services;

(c) \$2,000 for operating expenses related to taxation services; and

(d) \$1,159 for tax administration IT system (GenTax) support.

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: April 4, 2024