

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0192.02 Esther van Mourik x4215

**HOUSE BILL 18-1218**

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**HOUSE SPONSORSHIP**

**Carver and Melton,**

**SENATE SPONSORSHIP**

**Crowder and Todd,**

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**House Committees**

Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING THE DEFINITION OF A CHARITABLE ORGANIZATION FOR**  
102     **PURPOSES OF STATE SALES AND USE TAX, AND, IN CONNECTION**  
103     **THEREWITH, REMOVING THE LIMITATION THAT A VETERANS'**  
104     **ORGANIZATION ONLY GETS THE CHARITABLE ORGANIZATION**  
105     **EXEMPTION FOR PURPOSES OF SPONSORING A SPECIAL EVENT,**  
106     **MEETING, OR OTHER FUNCTION IN THE STATE, SO LONG AS SUCH**  
107     **EVENT, MEETING, OR FUNCTION IS NOT PART OF THE**  
108     **ORGANIZATION'S REGULAR ACTIVITIES IN THE STATE.**

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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*

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

[http://leg.colorado.gov.\)](http://leg.colorado.gov.)

For purposes of state sales and use tax, a "charitable organization" includes veterans' organizations as defined in federal law, but such organizations are limited to those that sponsor special events, meetings, or other functions in the state that are not part of the organization's regular activities in the state. In other words, a veterans' organization may not claim the charitable organization sales and use tax exemption for its regular activities in the state. This limitation is not found in the federal tax law granting veterans' organizations federal tax exempt status. The bill makes state law consistent with federal law and will treat veterans' organizations registered under section 501 (c)(19) of the federal internal revenue code the same way as veterans' organizations registered under section 501 (c)(3) of the federal internal revenue code.

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

2           **SECTION 1.** In Colorado Revised Statutes, 39-26-102, **amend**  
3     the introductory portion and (2.5) as follows:

4           **39-26-102. Definitions.** As used in this ~~article~~ ARTICLE 26, unless  
5     the context otherwise requires:

6           (2.5) "Charitable organization" means any entity organized and  
7     operated exclusively for religious, charitable, scientific, testing for public  
8     safety, literary, or educational purposes, or to foster national or  
9     international amateur sports competition (but only if no part of its  
10    activities involve the provision of athletic facilities or equipment), or for  
11    the prevention of cruelty to children or animals, no part of the net  
12    earnings of which inures to the benefit of any private shareholder or  
13    individual, no substantial part of the activities of which is carrying on  
14    propaganda, or otherwise attempting, to influence legislation, and which  
15    does not participate in, or intervene in (including the publishing or  
16    distributing of statements), any political campaign on behalf of any  
17    candidate for public office, or any veterans' organization registered under

1 section 501 (c)(19) of the FEDERAL "Internal Revenue Code of 1986", as  
2 amended. ~~for the purpose of sponsoring a special event, meeting, or other~~  
3 ~~function in the state of Colorado so long as such event, meeting, or~~  
4 ~~function is not part of such organization's regular activities in the state.~~

5 **SECTION 2.** In Colorado Revised Statutes, 39-26-713, **amend**  
6 (2)(d) as follows:

7 **39-26-713. Tangible personal property.** (2) The following are  
8 exempt from taxation under part 2 of this article 26:

9 (d) The storage, use, consumption, or loan of tangible personal  
10 property by or to the United States government, the state of Colorado or  
11 its institutions or political subdivisions in their governmental capacities  
12 only, or any charitable organization in the conduct of its regular charitable  
13 functions and activities; ~~except that any veterans' organization that~~  
14 ~~qualifies as a charitable organization pursuant to section 39-26-102 (2.5)~~  
15 ~~shall be exempt from taxation under the provisions of part 2 of this article~~  
16 ~~only for the purpose of sponsoring a special event, meeting, or other~~  
17 ~~function in the state of Colorado that is not part of such organization's~~  
18 ~~regular activities in the state;~~

19 **SECTION 3.** In Colorado Revised Statutes, 39-26-718, **amend**  
20 (1) introductory portion and (1)(a) as follows:

21 **39-26-718. Charitable organizations - association or**  
22 **organization of parents and teachers of public school students.**

23 (1) The following shall be exempt from taxation under the provisions of  
24 part 1 of this ~~article~~ ARTICLE 26:

25 (a) All sales made to charitable organizations, in the conduct of  
26 their regular charitable functions and activities; ~~except that any veterans'~~  
27 ~~organization that qualifies as a charitable organization pursuant to section~~

1       39-26-102 (2.5) shall be exempt from taxation under the provisions of  
2       part 1 of this article only for the purpose of sponsoring a special event,  
3       meeting, or other function in the state of Colorado that is not part of the  
4       organization's regular activities in the state;

5           **SECTION 4. Effective date - applicability.** This act takes effect  
6       July 1, 2018, and applies to any charitable organization sales and use tax  
7       exemptions claimed on or after said date.

8           **SECTION 5. Safety clause.** The general assembly hereby finds,  
9       determines, and declares that this act is necessary for the immediate  
10      preservation of the public peace, health, and safety.