

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

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 25-0884.01 Rebecca Bayetti x4348

**HOUSE BILL 25-1311**

**HOUSE SPONSORSHIP**

**McCluskie and Soper**, Bacon, Boesenecker, Clifford, Duran, Woodrow, Zokaie

**SENATE SPONSORSHIP**

**Roberts**,

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**House Committees**

Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING THE DEDUCTION FOR FREE BETS ALLOWED FOR THE**  
102                    **PURPOSE OF CALCULATING NET SPORTS BETTING PROCEEDS,**  
103                    **AND, IN CONNECTION THEREWITH, MAKING AN 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://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.

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.*

HOUSE  
3rd Reading Unamended  
April 28, 2025

HOUSE  
Amended 2nd Reading  
April 25, 2025

Beginning on September 1, 2025, the bill removes the deduction for all free bets placed.

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

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

5 **44-30-1501. Definitions - rules.** Definitions applicable to this part  
6 15 also appear in section 44-30-103 and article 1 of this title 44. As used  
7 in this part 15, unless the context otherwise requires:

8 (7) (c) (I) On and after January 1, 2023, THROUGH JUNE 30, 2026,  
9 when determining the free bets deduction used for calculating "net sports  
10 betting proceeds" each month, as described in subsection (7)(a) of this  
11 section, a sports betting operator or internet sports betting operator shall  
12 include only a portion of the total free bets placed by players with the  
13 sports betting operator or internet sports betting operator, as follows:

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

18 (C) On and after July 1, 2025, through ~~June 30, 2026~~ DECEMBER  
19 31, 2025, no more than two percent of the total amount of all bets placed  
20 by players with that sports betting operator or internet sports betting  
21 operator each month; and

22 (D) On and after ~~July 1, 2026~~ JANUARY 1, 2026, THROUGH JUNE  
23 30, 2026, no more than one ~~and three-quarters~~ percent of the total amount  
24 of all bets placed by players with that sports betting operator or internet  
25 sports betting operator each month.

1 (I.5) ON AND AFTER JULY 1, 2026, A SPORTS BETTING OPERATOR  
2 OR INTERNET SPORTS BETTING OPERATOR SHALL NOT DEDUCT ANY FREE  
3 BETS PLACED BY PLAYERS WITH THE SPORTS BETTING OPERATOR OR  
4 INTERNET SPORTS BETTING OPERATOR.

5 **SECTION 2. Appropriation.** (1) For the 2025-26 state fiscal  
6 year, \$17,135 is appropriated to the department of revenue. This  
7 appropriation is from the sports betting fund created in section  
8 44-30-1509 (1)(a), C.R.S. To implement this act, the department may use  
9 this appropriation as follows:

10 (a) \$13,906 for tax administration IT system (GenTax) support;

11 (b) \$1,024 for use by the taxation business group for personal  
12 services related to taxation services; and

13 (c) \$2,205 for use by the executive director's office for personal  
14 services related to administration and support.

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