Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments
Adopted in the House of Introduction

LLS NO. 20-0234.01 Pierce Lively x2059 **HOUSE BILL 20-1020**

HOUSE SPONSORSHIP

Snyder and Benavidez, Herod, Melton

SENATE SPONSORSHIP

Moreno,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

CONCERNING THE RESTRICTION OF THE STATE SALES TAX EXEMPTION FOR LONG-TERM LODGING.

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/.)

Tax Expenditure Evaluation Interim Study Committee. Under current law, the sales tax exemption for long-term lodging exempts stays of 30 days or more at hotels, apartment hotels, lodging houses, motor hotels, guesthouses, guest ranches, trailer coaches, mobile homes, auto camps, or trailer courts and parks from the state sales tax on lodgings. The bill limits this exemption so it only applies to natural persons.

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.

HOUSE
3rd Reading Unamended
February 3, 2020

HOUSE
Amended 2nd Reading
January 31, 2020

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

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) The sales tax exemption for long-term lodging exempts stays of thirty days or more at hotels, apartment hotels, lodging houses, motor hotels, guesthouses, guest ranches, trailer coaches, mobile homes, auto camps, or trailer courts and parks from the state sales tax on lodgings.

(b) This sales tax exemption has remained largely unchanged since it was enacted in 1959.

(c) The exemption does not state whether it can be claimed in the case where the lodgings are paid for by the same payer for at least 30 days, but multiple persons stay in the lodging during that period of time and none of those persons stay for longer than 30 days. The department of revenue has allowed the exemption to be claimed in this circumsance. However, this application of the long-term lodging exemption expands the use of the exemption beyond its presumed original purpose of providing equal tax treatment for persons who enter into residential leases of 30 days or more and persons who stay for more than 30 days in lodgings that are typically used for short-term stays.

(d) The department of revenue does not collect data specifically for the long-term lodging exemption.

(2) Therefore, it is the intent of the general assembly to simplify the collection and administration of taxes for the state of Colorado and to relieve taxpayers' confusion and vendors' administrative burdens by repealing tax expenditures that are not meeting their original purpose and which are not tracked by the department of revenue.

SECTION 2. In Colorado Revised Statutes, 39-26-704, **amend** (3) as follows:

39-26-704. Miscellaneous sales tax exemptions - governmental entities - hotel residents - schools - exchange of property. (3) (a) There shall be exempt from taxation under the provisions of part 1 of this article ***26*** all sales and purchases of commodities and services under the provisions of section 39-26-102 (11) to any ~~occupant~~ NATURAL PERSON who is a permanent resident of any hotel, apartment hotel, lodging house, motor hotel, guesthouse, guest ranch, trailer coach, mobile home, auto camp, or trailer court or park and who enters into or has entered into a written agreement for occupancy of a room or accommodations for a period of at least thirty consecutive days during the calendar year or preceding year.

(b) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, ON OR AFTER JANUARY 1, 2021, FOR ANY LOCAL GOVERNMENT OR POLITICAL SUBDIVISION OF THE STATE THAT LEVIES A SALES OR USE TAX BASED ON THE SALES OR USE TAX LEVIED BY THE STATE PURSUANT TO THIS ARTICLE 26, ALL SALES AND PURCHASES OF COMMODITIES AND SERVICES UNDER THE PROVISIONS OF SECTION 39-26-102 (11) TO ANY OCCUPANT WHO IS A PERMANENT RESIDENT OF ANY HOTEL, APARTMENT HOTEL, LODGING HOUSE, MOTOR HOTEL, GUESTHOUSE, GUEST RANCH, TRAILER COACH, MOBILE HOME, AUTO CAMP, OR TRAILER COURT OR PARK AND WHO ENTERS INTO OR HAS ENTERED INTO A WRITTEN AGREEMENT FOR OCCUPANCY OF A ROOM OR ACCOMMODATIONS FOR A PERIOD OF AT LEAST THIRTY CONSECUTIVE DAYS DURING THE CALENDAR YEAR OR PRECEDING CALENDAR YEAR SHALL BE EXEMPT FROM THE SALES OR USE TAX OF SUCH LOCAL GOVERNMENT OR POLITICAL SUBDIVISION, UNLESS THE LOCAL

GOVERNMENT OR POLITICAL SUBDIVISION EXPRESSLY SUBJECTS SUCH SALE TO ITS SALES OR USE TAX FOR THE APPLICABLE PERIOD AT THE TIME OF ADOPTION OF ITS INITIAL SALES OR USE TAX ORDINANCE OR RESOLUTION OR SUBSEQUENT AMENDMENT THERETO.

SECTION 3. Act subject to petition - effective date - applicability. (1) 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 (August 5, 2020, if adjournment sine die is on May 6, 2020); 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 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to sales taxes levied on or after January 1, 2021.