

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**REENGROSSED**

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

LLS NO. 18-0894.01 Ed DeCecco x4216

**SENATE BILL 18-179**

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**SENATE SPONSORSHIP**

**Hill and Williams A.**, Grantham, Guzman, Baumgardner, Cooke, Coram, Crowder, Holbert, Kagan, Lundberg, Marble, Martinez Humenik, Neville T., Priola, Scott, Smallwood, Sonnenberg, Tate

**HOUSE SPONSORSHIP**

**Hooton and Pabon**, Coleman, Humphrey, Lentine, Melton, Rosenthal, Sias, Williams D.

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**Senate Committees**

Finance

**House Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING THE EXTENSION OF THE CREDIT FOR TOBACCO PRODUCTS**  
102         **THAT A DISTRIBUTOR SHIPS OR TRANSPORTS TO AN**  
103         **OUT-OF-STATE CONSUMER.**

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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>.)*

Currently and until September 1, 2018, a distributor can claim a credit for taxes paid on tobacco products that are shipped or transported by the distributor to a consumer outside of the state. The bill makes the credit permanent.

SENATE  
3rd Reading Unamended  
March 5, 2018

SENATE  
Amended 2nd Reading  
March 2, 2018

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.*

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

2           **SECTION 1. Legislative declaration.** The general assembly  
3     hereby finds and declares that the purpose for extending the expiring  
4     credit in this act is to retain the businesses that have expanded or opened  
5     as a result of the "Cigar On-line Sales Equalization Act", enacted in 2015.

6           **SECTION 2. In Colorado Revised Statutes, 39-28.5-105, amend**

7     (1) and (3) as follows:

8           **39-28.5-105. Books and records to be preserved.** (1) Every  
9     distributor shall keep at each licensed place of business complete and  
10    accurate records for that place of business, including itemized invoices of  
11    tobacco products held, purchased, manufactured, brought in or caused to  
12    be brought in from without the state, or shipped or transported to retailers  
13    in this state, and of all sales of tobacco products made, except sales to the  
14    ultimate consumer WITHIN THE STATE.

15           (3) When a licensed distributor sells tobacco products exclusively  
16    to the ultimate consumer WITHIN THE STATE at the address given in the  
17    license, no invoice of those sales shall be required, but itemized invoices  
18    shall be made of all tobacco products transferred to other retail outlets  
19    owned or controlled by that licensed distributor. All books, records, and  
20    other papers and documents required by this section to be kept shall be  
21    preserved for a period of at least three years after the date of the  
22    documents, unless the department, in writing, authorizes their destruction  
23    or disposal at an earlier date.

24           **SECTION 3. In Colorado Revised Statutes, 39-28.5-107, amend**

25     (1) as follows:

26           **39-28.5-107. When credit may be obtained for tax paid.**

1       (1) Where tobacco products, upon which the tax imposed by this ~~article~~  
2       ARTICLE 28.5 has been reported and paid, are shipped or transported by  
3       the distributor to retailers without the state to be sold by those retailers,  
4       are shipped or transported by the distributor to a consumer without the  
5       state on or after September 1, 2015, ~~but prior to September 1, 2018~~; or are  
6       returned to the manufacturer by the distributor or destroyed by the  
7       distributor, credit of such tax may be made to the distributor in  
8       accordance with regulations prescribed by the department.

9           **SECTION 4. Act subject to petition - effective date.** This act  
10       takes effect at 12:01 a.m. on the day following the expiration of the  
11       ninety-day period after final adjournment of the general assembly (August  
12       8, 2018, if adjournment sine die is on May 9, 2018); except that, if a  
13       referendum petition is filed pursuant to section 1 (3) of article V of the  
14       state constitution against this act or an item, section, or part of this act  
15       within such period, then the act, item, section, or part will not take effect  
16       unless approved by the people at the general election to be held in  
17       November 2018 and, in such case, will take effect on the date of the  
18       official declaration of the vote thereon by the governor.