

**Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO  
CORRECTED INTRODUCED**

LLS NO. 26-0217.02 Pierce Lively x2059

**SENATE BILL 26-009**

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**SENATE SPONSORSHIP**

**Lindstedt and Snyder, Kipp**

**HOUSE SPONSORSHIP**

**McCluskie and Stewart R.,**

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**Senate Committees**

Finance

**House Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING THE DETERMINATION OF WHETHER AN ENTITY IS A**  
102             **CHARITABLE ORGANIZATION FOR PURPOSES OF STATE SALES**  
103             **AND USE TAX.**

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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>.)*

Charitable organizations are exempt from state sales and use tax. Under current law, the definition of charitable organization for purposes of state sales and use tax includes criteria that mirror the federal definition of a 501(c)(3) organization. The bill requires the department to presume that an organization that presents the department with a

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.

501(c)(3) determination letter from the internal revenue service is a charitable organization for purposes of state sales and use tax.

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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 (2.5) as follows:

4 **39-26-102. Performance statement - definitions - repeal.**

5 As used in this article 26, unless 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  
18 section 501 (c)(19) of the federal "Internal Revenue Code of 1986", as  
19 amended. IN DETERMINING WHETHER AN ORGANIZATION QUALIFIES AS A  
20 CHARITABLE ORGANIZATION, THE DEPARTMENT OF REVENUE SHALL  
21 PRESUME THAT AN ORGANIZATION THAT PRESENTS THE DEPARTMENT WITH  
22 A 501(c)(3) DETERMINATION LETTER FROM THE INTERNAL REVENUE  
23 SERVICE QUALIFIES AS A CHARITABLE ORGANIZATION. THE DEPARTMENT  
24 SHALL NOT PRESUME THAT AN ORGANIZATION DOES NOT QUALIFY AS A  
25 CHARITABLE ORGANIZATION BECAUSE OF A CHANGE IN THE

1 ORGANIZATION'S 501(c)(3) STATUS.

2           **SECTION 2. Safety clause.** The general assembly finds,  
3 determines, and declares that this act is necessary for the immediate  
4 preservation of the public peace, health, or safety or for appropriations for  
5 the support and maintenance of the departments of the state and state  
6 institutions.