

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

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 26-0692.02 Jed Franklin x5484

SENATE BILL 26-128

SENATE SPONSORSHIP

Snyder and Kirkmeyer, Bright, Catlin, Coleman, Frizell, Lindstedt, Liston, Marchman, Mullica, Pelton B., Pelton R., Roberts, Simpson

HOUSE SPONSORSHIP

Lukens and Zokaie,

Senate Committees

Finance

House Committees

Finance

A BILL FOR AN ACT

101 **CONCERNING A SALES AND USE TAXATION EXEMPTION ON CERTAIN**
102 **FEES CHARGED BY DESTINATION MANAGEMENT COMPANIES.**

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>.)

Destination management companies (DMCs) are companies that have specialized local knowledge, expertise, and resources and provide or arrange events, tours, transportation, and other logistics for events (destination management services). Currently, DMCs are charged sales and use tax on goods and services that they purchase in connection with providing destination management services in Colorado. The bill exempts

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
Amended 2nd Reading
April 13, 2026

SENATE
3rd Reading Unamended
March 25, 2026

SENATE
Amended 2nd Reading
March 24, 2026

a DMC from being assessed sales and use tax on fees charged by the DMC for the provision of destination management services to clients.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 39-26-701 as
3 follows:

4 **39-26-701. Definitions.**

5 In addition to the definitions in section 39-26-102, as used in this
6 part 7, unless the context otherwise requires:

7 (1) ~~"Storage" or "storing" means any keeping or retention of, or~~
8 ~~exercise of dominion or control over, tangible personal property in this~~
9 ~~state.~~ "DESTINATION MANAGEMENT COMPANY" MEANS A PERSON ■ THAT:

10 (a) IS PRIMARILY ENGAGED IN THE BUSINESS OF PROVIDING OR
11 ARRANGING FOR THE PROVISION OF AT LEAST SIX DESTINATION
12 MANAGEMENT SERVICES IN COLORADO;

13 ■

14 (b) HAS AT LEAST THREE FULL-TIME EMPLOYEES; AND

15 (c) DOES NOT PREPARE OR SERVE BEVERAGES, MEALS, OR OTHER
16 FOOD PRODUCTS AND DOES NOT OWN OR OPERATE A VENUE AT WHICH
17 DESTINATION MANAGEMENT SERVICES ARE PROVIDED, EITHER DIRECTLY
18 OR THROUGH A FINANCIAL INTEREST IN ANOTHER PERSON.

19 ■ ■

20 (2) "DESTINATION MANAGEMENT SERVICES" MEANS:

21 (a) BOOKING AND MANAGING ENTERTAINERS;

22 (b) COORDINATING TOURS OR RECREATIONAL ACTIVITIES;

23 (c) ORGANIZING MEETING, CONFERENCE, OR EVENT REGISTRATION;

24 (d) STAFFING MEETINGS, CONFERENCES, TRANSPORTATION, OR
25 OTHER EVENTS;

- 1 (e) EVENT MANAGEMENT;
- 2 (f) CATERING OR MEAL COORDINATION;
- 3 (g) PROVIDING SHUTTLE SYSTEM SERVICES, INCLUDING VEHICLE
- 4 STAGING, RADIO COMMUNICATIONS, SIGNAGE, AND ROUTING SERVICES; OR
- 5 (h) PROVIDING AIRPORT MEET-AND-GREET SERVICES, INCLUDING
- 6 THE PROVISION OF AIRPORT PERMITS, MANIFEST MANAGEMENT SERVICES,
- 7 PORTERAGE, AND PASSENGER GREETING SERVICES.

8 ==
9 (3) "STORAGE" OR "STORING" MEANS ANY KEEPING OR RETENTION
10 OF, OR EXERCISE OF DOMINION OR CONTROL OVER, TANGIBLE PERSONAL
11 PROPERTY IN THE STATE.

12 **SECTION 2.** In Colorado Revised Statutes, **add** 39-26-735 as
13 follows:

14 **39-26-735. Destination management fees - tax preference**
15 **performance statement - legislative declaration.**

16 (1) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
17 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
18 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
19 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND
20 DECLARES THAT:

21 (a) THE GENERAL LEGISLATIVE PURPOSE OF THE EXEMPTION
22 ALLOWED BY THIS SECTION IS TO INCENTIVIZE DESTINATION MANAGEMENT
23 COMPANIES TO BRING DESTINATION MANAGEMENT BUSINESS TO THE
24 STATE;

25 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE EXEMPTION
26 ALLOWED BY THIS SECTION IS TO PREVENT THE IMPOSITION OF SALES AND
27 USE TAX ON THE DESTINATION MANAGEMENT COMPANY'S SUBSEQUENT

1 PROVISION OF DESTINATION MANAGEMENT SERVICES TO A CLIENT OF THE
2 DESTINATION MANAGEMENT COMPANY; AND

3 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
4 MEASURE THE EFFECTIVENESS OF THE EXEMPTION ALLOWED BY THIS
5 SECTION BASED ON THE STATEWIDE ECONOMIC IMPACT OF DESTINATION
6 MANAGEMENT COMPANIES.

7 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, BEGINNING
8 JULY 1, 2027, THE SALE, STORAGE, USE, OR CONSUMPTION OF TANGIBLE
9 PERSONAL PROPERTY, COMMODITIES, OR SERVICES SOLD BY A
10 DESTINATION MANAGEMENT COMPANY ARE EXEMPT FROM TAXATION
11 PURSUANT TO PART 1 OR PART 2 OF THIS ARTICLE 26, IF THE DESTINATION
12 MANAGEMENT COMPANY HAS PAID TO THE STATE THE APPLICABLE SALES
13 OR USE TAX ON SUCH TANGIBLE PERSONAL PROPERTY, COMMODITIES, OR
14 SERVICES UPON ITS ACQUISITION.

15 (3) NOTWITHSTANDING SECTION 39-21-304 (4), THIS SECTION
16 DOES NOT REPEAL.

17 **SECTION 3. Act subject to petition - effective date.** This act
18 takes effect at 12:01 a.m. on the day following the expiration of the
19 ninety-day period after final adjournment of the general assembly (August
20 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
21 referendum petition is filed pursuant to section 1 (3) of article V of the
22 state constitution against this act or an item, section, or part of this act
23 within such period, then the act, item, section, or part will not take effect
24 unless approved by the people at the general election to be held in
25 November 2026 and, in such case, will take effect on the date of the
26 official declaration of the vote thereon by the governor.