

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

April 26, 2019

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB19-1245 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend reengrossed bill, page 8, after line 21 insert:

2 "SECTION 6. In Colorado Revised Statutes, 39-26-105, amend
3 (1)(c)(III) and (5)(c); amend as amended by House Bill 19-1240
4 (1)(c)(I) and (1)(c)(II); and add (1)(d) as follows:

5 **39-26-105. Vendor liable for tax - repeal.** (1) (c) (I) Every
6 retailer shall remit, along with the return required in subsection (1)(b) of
7 this section, an amount equivalent to the percentage on sales as specified
8 in subsection (1)(a)(I) of this section to the executive director of the
9 department of revenue, less an amount as set forth in ~~subsection (1)(c)(H)~~
10 SUBSECTION (1)(c)(II) OR (1)(d) of this section to cover the retailer's
11 expense in the collection and remittance of said tax.

12 (II) FOR SALES MADE PRIOR TO JANUARY 1, 2020, the amount
13 retained by a retailer to cover the retailer's expense in collecting and
14 remitting tax pursuant to this section is three and one-third percent of all
15 sales tax reported.

16 (III) If any retailer is delinquent in remitting said tax, other than
17 in unusual circumstances shown to the satisfaction of the executive
18 director of the department of revenue, the retailer shall not be allowed to
19 retain any amounts UNDER THIS SUBSECTION (1)(c) OR SUBSECTION (1)(d)
20 OF THIS SECTION to cover such retailer's expense in collecting and
21 remitting said tax, and an amount equivalent to the said percentage, plus
22 the amount of any local vendor expense that may be allowed by the local
23 government to the vendor, shall be remitted to the executive director by

1 any such delinquent vendor. Any local vendor expense remitted to the
2 executive director shall be deposited to the state general fund.

3 (d) (I) FOR SALES MADE ON OR AFTER JANUARY 1, 2020, THE
4 AMOUNT RETAINED BY A RETAILER TO COVER THE RETAILER'S EXPENSE IN
5 COLLECTING AND REMITTING TAX IN ACCORDANCE WITH THIS SECTION IS
6 FOUR PERCENT OF THE TAX REPORTED; EXCEPT THAT A RETAILER SHALL
7 NOT RETAIN MORE THAN ONE THOUSAND DOLLARS IN ANY FILING PERIOD.

8 (II) A RETAILER WITH MULTIPLE LOCATIONS IS TREATED AS A
9 SINGLE RETAILER FOR PURPOSES OF THIS SUBSECTION (1)(d) AND IS
10 REQUIRED TO REGISTER ALL LOCATIONS UNDER ONE ACCOUNT WITH THE
11 DEPARTMENT OF REVENUE.

12 (III) IF A RETAILER IS PERMITTED TO RETAIN AN AMOUNT TO COVER
13 THE RETAILER'S EXPENSE IN COLLECTING AND REMITTING LOCAL SALES
14 TAX THAT IS THE SAME AMOUNT AS PERMITTED BY THE STATE UNDER THIS
15 SECTION, THEN SUCH AMOUNT IS THE AMOUNT THAT WAS PERMITTED AS
16 OF DECEMBER 31, 2019.

17 (5) (c) From the amount of the tax required to be remitted
18 pursuant to ~~paragraph (a) of this subsection (5)~~ SUBSECTION (5)(a) OF THIS
19 SECTION, a qualified purchaser shall be entitled to retain the amount
20 specified in ~~subparagraph (H) of paragraph (c) of subsection (1)~~
21 SUBSECTION (1)(c)(II) OR (1)(d) of this section that a retailer would
22 otherwise be entitled to retain to cover the retailer's expense in collecting
23 and remitting the tax imposed by this ~~article~~ ARTICLE 26 if the qualified
24 purchaser had not provided a direct payment permit number to the
25 retailer."

26 Renumber succeeding sections accordingly.

27 Page 9, line 27, strike "(b) AN" and substitute: "(b) (I) EXCEPT AS SET
28 FORTH IN SUBSECTION (3)(b)(II) OF THIS SECTION, AN".

29 Page 10, strike lines 1 through 5 and substitute "REVENUE ATTRIBUTABLE
30 TO THE VENDOR FEE CHANGES, WHICH AMOUNT THE STATE TREASURER
31 SHALL CREDIT TO".

32 Page 10, after line 7 insert:

33 "(II) THE AMOUNT CREDITED TO THE HOUSING DEVELOPMENT
34 GRANT FUND CREATED IN SECTION 24-32-721 (1) UNDER SUBSECTION
35 (1)(b)(I) OF THIS SECTION IS REDUCED BY THE FOLLOWING AMOUNTS:

36 (A) FIFTEEN MILLION THREE HUNDRED THIRTY-FIVE THOUSAND

1 SEVEN HUNDRED EIGHTY-ONE DOLLARS FOR THE STATE FISCAL YEAR
2 2019-20;

3 (B) FORTY MILLION THREE HUNDRED TWENTY-THREE THOUSAND
4 ONE HUNDRED FIFTY-EIGHT DOLLARS FOR THE STATE FISCAL YEAR
5 2020-21; AND

6 (C) NINE HUNDRED EIGHTY-FIVE THOUSAND THREE HUNDRED
7 THIRTY-FIVE DOLLARS FOR THE STATE FISCAL YEAR 2021-22 AND EACH
8 STATE FISCAL YEAR THEREAFTER."

9 Page 11, line 18, strike "This" and insert "(1) Except as set forth in
10 subsection (2) of this section, this".

11 Page 11, after line 27 insert:

12 "(2) (a) Section 5 of this act takes effect only if House Bill
13 19-1240 does not become law.

14 (b) Section 6 of this act takes effect only if House Bill 19-1240
15 becomes law, in which case section 6 of this act takes effect on the
16 effective date of this act or House Bill 19-1240, whichever is later."

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