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**REVISED
FISCAL NOTE**

(replaces fiscal note dated April 16, 2019)

Drafting Number: LLS 19-1086
Prime Sponsors: Rep. Herod; Van Winkle
 Sen. Todd; Lundeen
Date: April 23, 2019
Bill Status: House Appropriations
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Bill Topic: OCCASIONAL SALES BY CHARITABLE ORGANIZATIONS

- Summary of Fiscal Impact:**
- State Revenue
 - State Expenditure (*minimal*)
 - State Transfer
 - TABOR Refund
 - Local Government
 - Statutory Public Entity

This bill increases the amount of sales by charitable organizations that are exempt from sales tax to \$45,000 per year. It also removes the requirement that occasional sales take place no more than 12 days per year. It will decrease state revenue and increase state agency workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended by the House Finance Committee.

**Table 1
State Fiscal Impacts Under HB 19-1323**

		FY 2019-20	FY 2020-21
Revenue	General Fund	(at least \$34,800)	(at least \$35,600)
Expenditures		-	-
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill increases the amount of sales by a charitable organization that can be exempted from sales tax from \$25,000 to \$45,000 per year. The bill removes the requirement that these occasional sales take place no more than 12 days per year, and also changes the requirement regarding when charitable organizations begin collecting taxes to when they have sold over \$45,000 in tangible goods, commodities, or services.

Assumptions

Comprehensive data do not exist on charitable organizations that have taxable sales or occasional sales. It is assumed that at least 60 charitable organizations will be impacted by this bill, representing organizations with up to \$45,000 in sales. These organizations are assumed to collect sales tax under current law. If more information becomes available, this fiscal note will be updated accordingly.

State Revenue

This bill is estimated to decrease state General Fund revenue by at least \$34,800 in FY 2019-20 and by at least \$35,600 in FY 2020-21, with similar impacts in future years. This revenue is subject to TABOR. The state is not expected to collect a TABOR surplus in FY 2019-20 or FY 2020-21.

State Expenditures

This bill will have a workload impact on the Department of Revenue to update instructions and documentation, which can be achieved with existing resources. The Department of Personnel and Administration may have a workload reduction for document management if the number of sales tax filings decreases in line with the increased exemption.

Local Government

This bill will have a minimal fiscal impact for those local taxing jurisdictions that have adopted the state's sales tax base and include this exemption.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed. The bill applies to sales that occur beginning January 1, 2020.

State and Local Government Contacts

Counties	Municipalities	Personnel
Regional Transportation District	Revenue	