

CHAPTER 423

TAXATION

HOUSE BILL 24-1349

BY REPRESENTATIVE(S) Duran and Froelich, Lindstedt, Amabile, Bacon, Boesenecker, Brown, deGruy Kennedy, Epps, Garcia, Hernandez, Herod, Jodeh, Joseph, Kipp, Lindsay, Mabrey, Mauro, McCormick, Ortiz, Parenti, Ricks, Rutinel, Snyder, Story, Weissman, Willford, Woodrow, Daugherty, Hamrick, Marvin, Sirota;
also SENATOR(S) Hansen and Buckner, Coleman, Cutter, Danielson, Exum, Fields, Gonzales, Jaquez Lewis, Kolker, Marchman, Michaelson Jenet, Rodriguez, Sullivan, Winter F., Fenberg.

AN ACT

CONCERNING A NEW EXCISE TAX RELATED TO FIREARMS, AND, IN CONNECTION THEREWITH, CONTINGENT ON VOTER APPROVAL OF THE NEW TAX AND THE RETENTION BY THE STATE OF ALL REVENUE GENERATED BY THE NEW TAX AT THE 2024 GENERAL ELECTION, LEVYING AN EXCISE TAX ON THE NET TAXABLE SALES OF GUN DEALERS, GUN MANUFACTURERS, AND AMMUNITION VENDORS FROM THE RETAIL SALE IN THIS STATE OF ANY FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION, REQUIRING THE EXCISE TAX REVENUE TO BE SPENT FOR MENTAL HEALTH SERVICES, INCLUDING FOR MILITARY VETERANS AND AT-RISK YOUTH, SCHOOL SAFETY AND GUN VIOLENCE PREVENTION, AND SUPPORT SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE AND OTHER VIOLENT CRIMES, AND MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, **add** article 37 to title 39 as follows:

ARTICLE 37
Firearms and Ammunition Excise Tax

PART 1
FIREARMS AND AMMUNITION EXCISE TAX

39-37-101. Short title. THE SHORT TITLE OF THIS ACT IS THE "CRIME VICTIM AND SURVIVOR SERVICES FUNDING AND MENTAL HEALTH SECURITY ACT".

39-37-102. Legislative declaration. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) COLORADO NEEDS CONSISTENT AND RELIABLE FUNDING FROM THE STATE TO

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

SUSTAIN THE SERVICES CRIME VICTIMS DEPEND ON, INCLUDING WRAPAROUND SERVICES, HOUSING ASSISTANCE, LEGAL ADVOCACY, EMERGENCY SHELTER, LONG-TERM SAFE HOUSING, CASE MANAGEMENT, ON-SITE CRISIS RESPONSE, EMERGENCY FINANCIAL ASSISTANCE, COUNSELING, AND MORE;

(b) INCONSISTENT AND FLUCTUATING FUNDING HURTS VICTIM AND SURVIVOR SERVICE PROVIDERS ALIKE. MANY AGENCIES ARE ALREADY WORKING BEYOND THEIR MEANS TO ATTEMPT TO MEET THE GROWING NEEDS OF VICTIMS AND SURVIVORS IN THEIR COMMUNITIES.

(c) OVER THE LAST SEVERAL YEARS, AGENCIES HAVE MADE THE DIFFICULT DECISION TO DOWNSIZE DUE TO A LACK OF FUNDING WHILE, AT THE SAME TIME, MORE VICTIMS AND SURVIVORS ARE SEEKING EXISTING SERVICES AND MORE COMPLEX LEVELS OF SERVICES;

(d) ACCESS TO A FIREARM MAKES IT FIVE TIMES MORE LIKELY THAT A WOMAN WILL DIE AT THE HANDS OF AN INTIMATE PARTNER. EVERY MONTH, SEVENTY WOMEN NATIONWIDE, ON AVERAGE, ARE SHOT AND KILLED BY AN INTIMATE PARTNER. OVER THIRTEEN PERCENT OF WOMEN IN AMERICA ALIVE TODAY, AROUND TWENTY MILLION WOMEN, HAVE BEEN THREATENED BY AN INTIMATE PARTNER USING A FIREARM. IN THE UNITED STATES, BETWEEN 2014 AND 2019, SIXTY PERCENT OF MASS SHOOTING EVENTS WERE FOUND TO BE DOMESTIC VIOLENCE ATTACKS OR TO HAVE BEEN PERPETRATED BY THOSE WITH A HISTORY OF DOMESTIC VIOLENCE.

(e) ADDITIONALLY, INDIVIDUALS EXPERIENCING TRAUMA DUE TO GUN AND OTHER TYPES OF VIOLENCE, INCLUDING MILITARY VETERANS AND AT-RISK YOUTH, NEED SUPPORT TO ACCESS MENTAL HEALTH SERVICES IN ORDER TO RECOVER FROM THEIR TRAUMA AND RECLAIM THEIR HEALTH. CURRENTLY, THERE ARE SIGNIFICANT BARRIERS TO ACCESS TO MENTAL HEALTH SERVICES IN COLORADO.

(f) EVEN BEFORE THE COVID-19 PANDEMIC, COLORADO RANKED IN THE BOTTOM HALF OF ALL STATES WITH REGARD TO THE PREVALENCE OF MENTAL ILLNESS IN THE STATE RELATIVE TO ACCESS TO CARE. SINCE THE PANDEMIC BEGAN, THE COLORADO CRISIS SERVICES HOTLINE HAS RECEIVED THIRTY PERCENT MORE CALLS AND TEXTS THAN IN PREVIOUS YEARS, AND THE PSYCHIATRIC EMERGENCY DEPARTMENT AT CHILDREN'S HOSPITAL IN COLORADO HAS TREATED TEN PERCENT MORE CHILDREN EXPERIENCING THOUGHTS OF SUICIDE. IN 2021, ONE-THIRD OF COLORADO YOUTH REPORTED EXPERIENCING FEELINGS OF SADNESS AND HOPELESSNESS FOR A PERIOD OF AT LEAST TWO WEEKS OR MORE.

(g) IN COLORADO, A GUN SUICIDE DEATH OCCURS EVERY THIRTEEN HOURS. DURING AN AVERAGE YEAR, SIX HUNDRED SEVENTY-SEVEN PEOPLE DIE BY GUN SUICIDE AND SEVENTY-THREE PERCENT OF ALL GUN DEATHS IN COLORADO ARE SUICIDES. COLORADO HAS THE TENTH HIGHEST RATE OF GUN SUICIDE IN THE UNITED STATES. ACCORDING TO THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS, THE VETERAN SUICIDE RATE IN COLORADO IS SIGNIFICANTLY HIGHER THAN BOTH THE NATIONAL AVERAGE AND THE NATIONAL GENERAL POPULATION SUICIDE RATE. THE COLORADO BOARD OF VETERANS AFFAIRS HAS REPORTED THAT CURRENT RESOURCES ARE INADEQUATE TO MEET THE NEEDS OF THE NEARLY FOUR HUNDRED THOUSAND VETERANS IN COLORADO, AND COLORADO IS EXPECTED TO EXPERIENCE A THIRTY-NINE PERCENT INCREASE IN SERVICE NEEDS IN THE NEAR FUTURE.

(h) IN COLORADO, OVER HALF OF ALL GUN DEATHS AMONG CHILDREN AND TEENS ARE SUICIDES. ACCORDING TO THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, SUICIDE IS THE LEADING CAUSE OF DEATH FOR YOUTH AND YOUNG ADULTS, PERSONS AGED TEN TO TWENTY-FOUR YEARS OLD. BLACK CHILDREN AND BLACK TEENS ARE FIVE TIMES MORE LIKELY THAN THEIR WHITE PEERS TO DIE BY GUN.

(i) THE EXCISE TAX ON THE NET TAXABLE SALES OF FIREARMS DEALERS, FIREARMS MANUFACTURERS, AND AMMUNITION VENDORS FOR RETAIL SALES IN THIS STATE IS ANALOGOUS TO LONGSTANDING FEDERAL LAW, WHICH HAS, SINCE 1919, PLACED A TEN TO ELEVEN PERCENT EXCISE TAX ON THE SALE OF FIREARMS AND AMMUNITION BY MANUFACTURERS, PRODUCERS, AND IMPORTERS;

(j) REVENUE FROM THIS FEDERAL EXCISE TAX HAS BEEN USED, SINCE PASSAGE OF THE FEDERAL "PITTMAN-ROBERTSON WILDLIFE RESTORATION ACT" IN 1937, TO FUND WILDLIFE CONSERVATION EFFORTS THAT REMEDIATE THE EFFECTS THAT FIREARMS AND AMMUNITION HAVE ON WILDLIFE POPULATIONS THROUGH GAME HUNTING, PARTICULARLY THROUGH GRANTS TO STATE WILDLIFE AGENCIES, AND FOR CONSERVATION-RELATED RESEARCH, TECHNICAL ASSISTANCE, HUNTER SAFETY, AND HUNTER DEVELOPMENT;

(k) THIS ACT WILL SIMILARLY PLACE A REASONABLE STATE SURTAX ON FIREARM AND AMMUNITION INDUSTRY MEMBERS THAT PROFIT FROM THE SALE OF FIREARMS AND AMMUNITION IN ORDER TO GENERATE SUSTAINED REVENUE FOR PROGRAMS THAT ARE DESIGNED TO REMEDIATE THE DEVASTATING IMPACTS OF THESE PRODUCTS ON FAMILIES AND COMMUNITIES ACROSS THIS STATE;

(l) THE NATIONAL RIFLE ASSOCIATION HAS REFERRED TO THE FEDERAL EXCISE TAX SCHEME AS A "LEGISLATIVE MODEL" AND "FRIEND OF THE HUNTER", AND THE NATIONAL SHOOTING SPORTS FOUNDATION (NSSF) HAS REPEATEDLY EMPHASIZED THE IMPORTANCE OF THIS FEDERAL FIREARM INDUSTRY EXCISE TAX AS WELL. A 2019 STATEMENT BY AN NSSF DIRECTOR PUBLISHED ON THE NSSF'S WEBSITE EMPHASIZED THAT "AN OFTEN OVERLOOKED, AND CERTAINLY UNDER-COMMUNICATED BENEFIT, IS THE IMPACT THAT EXCISE TAXES ON FIREARMS AND AMMUNITION HAVE ON CONSERVATION AND WILDLIFE POPULATIONS", AND A SIMILAR 2018 STATEMENT FROM NSSF PRAISED KEY PITTMAN AND WILLIS ROBERTSON, THE LEGISLATORS WHO SPONSORED THE FEDERAL EXCISE TAX, AS "HEROES OF THE MOST SUCCESSFUL CONSERVATION MODEL IN THE WORLD".

(m) THIS ACT WILL SIMILARLY PROVIDE DEDICATED REVENUE TO SUSTAIN AND EXPAND EFFECTIVE GUN VIOLENCE PREVENTION, HEALING, AND RECOVERY PROGRAMS FOR FAMILIES AND COMMUNITIES ACROSS COLORADO, PARTICULARLY IN COMMUNITIES MOST DISPROPORTIONATELY IMPACTED BY GUN VIOLENCE;

(n) THIS ACT IS CONSISTENT WITH OUR NATION'S LONGSTANDING HISTORICAL TRADITION OF REGULATING COMMERCIAL FIREARM AND AMMUNITION MANUFACTURERS AND SELLERS, INCLUDING THROUGH FEDERAL, STATE, AND LOCAL TAXES ON THIS COMMERCIAL ACTIVITY. AN 1883 CALIFORNIA STATUTE, FOR INSTANCE, DIRECTED LOCAL GOVERNMENTS TO PROVIDE FOR PAYMENT OF ALL REVENUE ASSESSED AS A TAX, OR RECEIVED FOR LICENSES, ON THE STORAGE, MANUFACTURE, AND SALE OF GUNPOWDER AND RELATED PRODUCTS IN ORDER TO

FUND A "FIREMAN'S CHARITABLE FUND" TO SUPPORT PROFESSIONALS TASKED WITH REMEDIATING THE COLLATERAL IMPACTS OF FIREARM-RELATED COMMERCIAL ACTIVITY ON PUBLIC SAFETY THROUGH FIRE RISK.

(o) IN THE HISTORICAL RECORD, OTHER STATES, INCLUDING MISSISSIPPI (1844), NORTH CAROLINA (1857), GEORGIA (1866), ALABAMA (1867), THE THEN-INDEPENDENT KINGDOM OF HAWAII (1870), NEBRASKA (1895), FLORIDA (1898), WYOMING (1899), AND VIRGINIA (1926), HAVE SIMILARLY ENACTED LONGSTANDING COMMERCIAL, OCCUPATIONAL, OR OTHER TAXES ON THOSE SELLING, PURCHASING, OR POSSESSING FIREARMS AND OTHER DANGEROUS WEAPONS;

(p) THE TAX PROPOSED IN THIS ACT MIRRORS THE FEDERAL EXCISE TAX ON FIREARM AND AMMUNITION INDUSTRY PARTICIPANTS AND IS SIMILARLY DEDICATED TO FUNDING PROGRAMS TO REMEDIATE THE DIRECT COSTS TO INDIVIDUALS AND COMMUNITIES RESULTING FROM THE ACCESSIBILITY OF FIREARMS AND AMMUNITION IN THIS STATE.

39-37-103. Definitions. AS USED IN THIS ARTICLE 37, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "AMMUNITION" MEANS AMMUNITION OR CARTRIDGE CASES, PRIMERS, BULLETS, OR PROPELLANT POWDER DESIGNED FOR USE IN ANY FIREARM.

(2) "AMMUNITION VENDOR" MEANS ANY PERSON WHO ENGAGES IN ANY RETAIL SALE OF AMMUNITION TO A CONSUMER IN THIS STATE.

(3) "DOING BUSINESS IN THIS STATE" MEANS THE SELLING, LEASING, OR DELIVERING IN THIS STATE, OR ANY ACTIVITY IN THIS STATE IN CONNECTION WITH THE SELLING, LEASING, OR DELIVERING IN THIS STATE, OF FIREARMS, FIREARMS PRECURSOR PARTS, OR AMMUNITION BY A RETAIL SALE, FOR USE, STORAGE, DISTRIBUTION, OR CONSUMPTION, WITHIN THIS STATE BY A PERSON WHO:

(a) MAINTAINS WITHIN THIS STATE, DIRECTLY OR INDIRECTLY OR BY A SUBSIDIARY, AN OFFICE, DISTRIBUTION FACILITY, SALESROOM, WAREHOUSE, STORAGE PLACE, OR OTHER SIMILAR PLACE OF BUSINESS, INCLUDING THE EMPLOYMENT OF A RESIDENT OF THIS STATE WHO WORKS FROM A HOME OFFICE IN THIS STATE; OR

(b) SOLICITS, EITHER BY DIRECT REPRESENTATIVES, INDIRECT REPRESENTATIVES, MANUFACTURERS' AGENTS, BY DISTRIBUTION OF CATALOGUES OR OTHER ADVERTISING, BY USE OF ANY COMMUNICATION MEDIA, OR BY USE OF THE NEWSPAPER, RADIO, OR TELEVISION ADVERTISING MEDIA, OR BY ANY OTHER MEANS WHATSOEVER, BUSINESS FROM PERSONS RESIDING IN THIS STATE AND BY REASON THEREOF RECEIVING ORDERS FROM, OR SELLING OR LEASING TANGIBLE PERSONAL PROPERTY TO, SUCH PERSONS RESIDING IN THIS STATE FOR USE, CONSUMPTION, DISTRIBUTION, AND STORAGE, FOR USE OR CONSUMPTION IN THIS STATE DURING THE FOLLOWING PERIODS:

(I) AN ENTIRE CALENDAR YEAR IF, IN THE PREVIOUS CALENDAR YEAR, THE PERSON HAS MADE RETAIL SALES OF FIREARMS, FIREARMS PRECURSOR PARTS, OR AMMUNITION IN THIS STATE EXCEEDING TWENTY THOUSAND DOLLARS; OR

(II) ON AND AFTER THE FIRST DAY OF THE MONTH AFTER THE NINETIETH DAY AFTER THE PERSON HAS MADE RETAIL SALES OF FIREARMS, FIREARMS PRECURSOR PARTS, OR AMMUNITION IN THIS STATE IN THE CURRENT CALENDAR YEAR THAT EXCEED TWENTY THOUSAND DOLLARS.

(4) "EXCISE TAX" OR "TAX" MEANS THE TAX IMPOSED BY THIS ARTICLE 37.

(5) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE.

(6) "FIREARM" OR "GUN" MEANS A FIREARM AS DEFINED IN SECTION 18-12-101 (1)(b.7) AND ANY INSTRUMENT OR DEVICE DESCRIBED IN SECTION 18-1-901 (3)(h), 18-12-401 (1)(a), OR 18-12-506 (2).

(7) "FIREARM PRECURSOR PART" OR "GUN PRECURSOR PART" MEANS:

(a) AN UNFINISHED FRAME OR RECEIVER AS DEFINED IN SECTION 18-12-101 (1)(1);

(b) A FIRE CONTROL COMPONENT AS DEFINED IN SECTION 18-12-101 (1)(c.3);

(c) A DEVICE MARKETED OR SOLD TO THE PUBLIC THAT IS DESIGNED OR ADAPTED TO BE INSERTED INTO, AFFIXED ONTO, OR USED IN CONJUNCTION WITH A FIREARM IF THE DEVICE IS:

(I) REASONABLY DESIGNED OR INTENDED TO BE USED TO INCREASE A FIREARM'S RATE OF FIRE, CONCEALABILITY, MAGAZINE CAPACITY, OR DESTRUCTIVE CAPACITY; OR

(II) REASONABLY DESIGNED OR INTENDED TO BE USED TO INCREASE A FIREARM'S STABILITY AND HANDLING WHEN THE FIREARM IS REPEATEDLY FIRED; OR

(d) ANY MACHINE OR DEVICE THAT IS MARKETED OR SOLD TO THE PUBLIC THAT IS REASONABLY DESIGNED OR INTENDED TO BE USED TO MANUFACTURE OR PRODUCE A FIREARM.

(8) "FIREARMS DEALER" OR "GUN DEALER" MEANS ANY PERSON WHO IS A FEDERALLY LICENSED FIREARMS DEALER AS DEFINED IN SECTION 18-12-101 (1)(b.4) OR A LICENSED GUN DEALER AS DEFINED IN SECTION 18-12-506 (6).

(9) "FIREARMS MANUFACTURER" OR "GUN MANUFACTURER" MEANS ANY PERSON WHO IS LICENSED TO MANUFACTURE FIREARMS OR AMMUNITION PURSUANT TO 18 U.S.C. SEC. 921 ET SEQ. AND WHO ENGAGES IN ANY RETAIL SALE OF A FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION TO A CONSUMER IN THIS STATE.

(10) "FUND" MEANS THE FIREARMS AND AMMUNITION EXCISE TAX CASH FUND CREATED IN SECTION 39-37-301 (1)(a).

(11) (a) "LAW ENFORCEMENT AGENCY" MEANS A DEPARTMENT OR AGENCY OF THE STATE OR OF A COUNTY, CITY, CITY AND COUNTY, OR TOWN WITHIN THE STATE THAT EMPLOYS AT LEAST ONE PEACE OFFICER WHO IS AUTHORIZED TO CARRY A FIREARM WHILE ON DUTY.

(b) "LAW ENFORCEMENT AGENCY" INCLUDES A FEDERAL LAW ENFORCEMENT AGENCY AND A TRIBAL LAW ENFORCEMENT AGENCY.

(12) "NET TAXABLE SALES" MEANS THE AGGREGATE PURCHASE PRICE RECEIVED OR DUE IN MONEY, CREDITS, OR PROPERTY, OR OTHER CONSIDERATION VALUED IN MONEY FROM ALL RETAIL SALES WITHIN THIS STATE, AND EMBRACED WITHIN THE PROVISIONS OF THIS ARTICLE, LESS DEDUCTIONS FOR:

(a) AN AMOUNT EQUAL TO THE PURCHASE PRICE OF PROPERTY EXEMPT FROM TAX PURSUANT TO SECTION 39-37-105;

(b) AN AMOUNT EQUAL TO THE PURCHASE PRICE OF PROPERTY RETURNED BY THE PURCHASER WHEN THE FULL SALE PRICE THEREOF IS REFUNDED WHETHER IN CASH OR BY CREDIT; AND

(c) AN AMOUNT EQUAL TO THE PURCHASE PRICE OF PROPERTY SOLD ON ACCOUNT FOUND TO BE WORTHLESS AND ACTUALLY CHARGED OFF BY THE TAXPAYER FOR INCOME TAX PURPOSES, BUT IF ANY SUCH ACCOUNTS ARE THEREAFTER COLLECTED BY THE TAXPAYER, A TAX SHALL BE PAID UPON THE AMOUNTS COLLECTED.

(13) (a) "PEACE OFFICER" MEANS A CERTIFIED PEACE OFFICER DESCRIBED IN SECTION 16-2.5-102.

(b) "PEACE OFFICER" INCLUDES A POLICE OFFICER OR CRIMINAL INVESTIGATOR EMPLOYED BY A FEDERAL OR TRIBAL LAW ENFORCEMENT AGENCY AND A QUALIFIED RETIRED LAW ENFORCEMENT OFFICER, AS DEFINED IN 18 U.S.C. SEC. 926C (c).

(14) "PERSON" HAS THE SAME MEANING AS SET FORTH IN SECTION 39-26-102 (6.3).

(15) (a) "PURCHASE PRICE" MEANS THE AGGREGATE CONSIDERATION VALUED IN MONEY PAID OR DELIVERED OR PROMISED TO BE PAID OR DELIVERED BY THE USER OR CONSUMER IN CONSUMMATION OF A SALE, EXCLUSIVE OF:

(I) THE EXCISE TAX;

(II) ANY DIRECT TAX IMPOSED BY THE FEDERAL GOVERNMENT;

(III) ANY SALES OR USE TAX IMPOSED BY THIS STATE OR BY ANY POLITICAL SUBDIVISION THEREOF;

(IV) ANY RETAIL DELIVERY FEE AND ENTERPRISE RETAIL DELIVERY FEES IMPOSED OR COLLECTED AS SPECIFIED IN SECTION 43-4-218;

(V) ANOTHER TAX OR FEE IMPOSED BY A GOVERNMENTAL ENTITY THAT IS COLLECTED AT THE SAME TIME AS THE EXCISE TAX.

(b) FOR PURPOSES OF THIS ARTICLE 37, "PURCHASE PRICE" INCLUDES THE FULL PURCHASE PRICE OF THE FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION SOLD AFTER MANUFACTURE OR AFTER HAVING BEEN MADE TO ORDER AND INCLUDES THE FULL PURCHASE PRICE FOR MATERIAL USED AND THE SERVICE PERFORMED IN

CONNECTION THEREWITH, AND THE PROFIT THEREON, INCLUDED IN THE PRICE CHARGED TO THE USER OR CONSUMER.

(16) "RETAIL SALE" MEANS ALL SALES MADE WITHIN THIS STATE EXCEPT WHOLESALE SALES.

(17) "SALE" MEANS THE ACQUISITION FOR ANY CONSIDERATION BY ANY PERSON OF A FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION SUBJECT TO THE EXCISE TAX INCLUDING INSTALLMENT AND CREDIT SALES AND THE EXCHANGE OF SUCH PROPERTY AS WELL AS THE SALE THEREOF FOR MONEY AND EVERY SUCH TRANSACTION, CONDITIONAL OR OTHERWISE, FOR A CONSIDERATION CONSTITUTING A SALE.

(18) "VENDOR" MEANS A PERSON DOING BUSINESS IN THIS STATE AS AN AMMUNITION VENDOR, FIREARMS DEALER, OR A FIREARMS MANUFACTURER OR ANY COMBINATION THEREOF.

(19) "WHOLESALER" MEANS A PERSON DOING A REGULARLY ORGANIZED WHOLESALE OR JOBBING BUSINESS AND KNOWN TO THE TRADE AS SUCH AND SELLING TO RETAIL MERCHANTS, JOBBERS, DEALERS, OR OTHER WHOLESALERS, FOR THE PURPOSE OF RESALE.

(20) (a) "WHOLESALE SALE" MEANS:

(I) A SALE BY A WHOLESALER TO A VENDOR OR OTHER WHOLESALER FOR RESALE;
OR

(II) A SALE TO A PERSON ENGAGED IN THE BUSINESS OF MANUFACTURING, COMPOUNDING, OR FURNISHING FOR SALE, PROFIT, OR USE ANY PROPERTY WHICH ENTERS INTO THE PROCESSING OF OR BECOMES AN INGREDIENT OR COMPONENT PART OF THE PRODUCT WHICH IS MANUFACTURED, COMPOUNDED, OR FURNISHED.

(b) "WHOLESALE SALE" DOES NOT INCLUDE A SALE BY A WHOLESALER TO A USER OR CONSUMER NOT FOR RESALE.

39-37-104. Firearms, firearm precursor parts, and ammunition - excise tax levied upon gross taxable sales - tax rate. (1) ON AND AFTER APRIL 1, 2025, THERE IS LEVIED AN EXCISE TAX UPON EVERY VENDOR AT THE RATE OF SIX AND ONE-HALF PERCENT OF THE NET TAXABLE SALES FROM THE RETAIL SALE IN THIS STATE OF ANY FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION. EVERY VENDOR SHALL PAY THE TAX LEVIED BY THIS SECTION TO THE EXECUTIVE DIRECTOR IN ACCORDANCE WITH THE PROVISIONS OF THIS PART 1.

(2) THE DETERMINATION OF WHETHER A RETAIL SALE OCCURS IN THIS STATE IS GOVERNED BY THE PROVISIONS SET FORTH IN SECTION 39-26-104 (3)(a)(I) TO (3)(a)(V) AND THE DEFINITIONS SET FORTH IN SECTION 39-26-104 (3)(d)(I) AND (3)(d)(II).

39-37-105. Exemption. THE PURCHASE PRICE PAID IN CONSUMMATION OF THE RETAIL SALE OF ANY FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION TO A PEACE OFFICER OR A LAW ENFORCEMENT AGENCY EMPLOYING THAT PEACE OFFICER

OR TO AN ACTIVE DUTY MEMBER OF THE ARMED FORCES OF THE UNITED STATES IS EXEMPT FROM TAXATION PURSUANT TO THIS ARTICLE 37.

39-37-106. Administration and enforcement - disputes and refunds - rules.

(1) THE EXECUTIVE DIRECTOR SHALL ADMINISTER AND ENFORCE THE TAX LEVIED PURSUANT TO THIS PART 1 IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 21 OF THIS TITLE 39.

(2) THE BURDEN OF PROVING THAT A SALE OF A FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION IS NOT SUBJECT TO OR IS EXEMPT FROM THE EXCISE TAX, OR THAT A VENDOR IS NOT DOING BUSINESS IN THIS STATE, AS DEFINED IN SECTION 39-37-103 (3), OR IS OTHERWISE NOT REQUIRED TO MAKE A RETURN OR TO REMIT TAX PURSUANT TO THIS ARTICLE 37, SHALL BE ON THE VENDOR UNDER SUCH REASONABLE REQUIREMENTS OF PROOF AS THE EXECUTIVE DIRECTOR MAY PRESCRIBE BY RULE.

(3)(a) THE EXECUTIVE DIRECTOR SHALL MAKE A REFUND OR ALLOW A CREDIT TO ANY VENDOR THAT ESTABLISHES THAT THE VENDOR HAS OVERPAID THE TAX DUE PURSUANT TO THIS ARTICLE 37. NO SUCH REFUND SHALL BE MADE OR CREDIT ALLOWED IN AN AMOUNT GREATER THAN THE TAX PAID.

(b) THE VENDOR MUST FILE ANY CLAIM FOR REFUND OR CREDIT UNDER THIS SECTION WITHIN THREE YEARS AFTER THE DUE DATE OF THE RETURN SHOWING THE OVERPAYMENT. THE CLAIM MUST BE MADE ON FORMS PRESCRIBED BY THE EXECUTIVE DIRECTOR AND MUST INCLUDE SUCH PERTINENT DATA, INFORMATION, OR DOCUMENTATION AS THE EXECUTIVE DIRECTOR MAY REQUIRE.

(c) UPON RECEIPT OF THE APPLICATION AND PROOF OF THE MATTERS CONTAINED THEREIN, THE EXECUTIVE DIRECTOR SHALL GIVE NOTICE TO THE VENDOR IN WRITING OF THE EXECUTIVE DIRECTOR'S DECISION. AGGRIEVED VENDORS MAY PETITION THE EXECUTIVE DIRECTOR FOR A HEARING ON THE CLAIM IN THE MANNER PROVIDED IN SECTION 39-21-104.

(4) THE EXECUTIVE DIRECTOR SHALL PROMULGATE RULES FOR THE IMPLEMENTATION OF THIS PART 1.

39-37-107. Registration required. (1) (a) IT IS UNLAWFUL FOR ANY PERSON TO ENGAGE IN THE BUSINESS OF AN AMMUNITION VENDOR, A FIREARMS DEALER, OR A FIREARMS MANUFACTURER IN THIS STATE WITHOUT FIRST HAVING REGISTERED AS A VENDOR WITH THE EXECUTIVE DIRECTOR. A REGISTRATION APPLICATION PROPERLY FILED ON A FORM PRESCRIBED BY THE EXECUTIVE DIRECTOR AND ACCEPTED BY THE EXECUTIVE DIRECTOR IS VALID UNTIL DECEMBER 31 OF THE NEXT ODD-NUMBERED YEAR FOLLOWING THE DATE OF REGISTRATION, UNLESS SOONER CANCELLED OR REVOKED. A PERSON REGISTERING PURSUANT TO THIS SUBSECTION (1) SHALL DISCLOSE THE NAME OF THE VENDOR AND THE VENDOR'S BUSINESS LOCATION, INCLUDING THE STREET NUMBER OF THE VENDOR'S BUSINESS LOCATION, AND ANY OTHER FACTS THE EXECUTIVE DIRECTOR MAY REQUIRE.

(b) IT IS THE DUTY OF EVERY VENDOR ON OR BEFORE JANUARY 1 OF EACH EVEN-NUMBERED YEAR TO RENEW THE VENDOR'S REGISTRATION IF THE VENDOR REMAINS

IN RETAIL BUSINESS OR LIABLE TO ACCOUNT FOR THE TAX LEVIED PURSUANT TO THIS ARTICLE 37.

(c) IF A VENDOR MAKES RETAIL SALES AT TWO OR MORE SEPARATE PLACES OF BUSINESS IN THIS STATE, A SEPARATE REGISTRATION FOR EACH PLACE OF BUSINESS IS REQUIRED.

(2) THE EXECUTIVE DIRECTOR, AFTER REASONABLE NOTICE AND A HEARING, MAY REVOKE THE REGISTRATION OF ANY PERSON FOUND BY THE EXECUTIVE DIRECTOR TO HAVE VIOLATED ANY PROVISION OF THIS ARTICLE 37. ANY FINDING AND ORDER OF THE EXECUTIVE DIRECTOR REVOKING THE REGISTRATION OF ANY VENDOR IS SUBJECT TO REVIEW BY THE DISTRICT COURT OF THE DISTRICT WHERE THE BUSINESS OF THE VENDOR IS CONDUCTED, UPON APPLICATION OF THE VENDOR. THE PROCEDURE FOR REVIEW MUST BE, AS NEARLY AS POSSIBLE, THE SAME AS PROVIDED FOR THE REVIEW OF FINDINGS AS PROVIDED BY PROCEEDINGS IN THE NATURE OF CERTIORARI.

(3) (a) ANY VENDOR WHO MAKES RETAIL SALES SUBJECT TO THE EXCISE TAX WITHOUT REGISTERING COMMITS A PETTY OFFENSE AND SHALL BE PUNISHED ACCORDING TO SECTION 18-1.3-503.

(b) ANY VENDOR WHO MAKES RETAIL SALES SUBJECT TO THE EXCISE TAX WITHOUT REGISTERING MAY ALSO BE SUBJECT TO A CIVIL PENALTY OF FIFTY DOLLARS PER DAY UP TO A MAXIMUM PENALTY OF ONE THOUSAND DOLLARS. THE EXECUTIVE DIRECTOR SHALL ASSESS THE PENALTY IMPOSED BY THIS SUBSECTION (3)(b) IN THE SAME MANNER AS THE TAXES, PENALTIES, AND INTEREST IMPOSED BY THIS ARTICLE 37. THE EXECUTIVE DIRECTOR MAY WAIVE OR REDUCE THE PENALTY ASSESSED PURSUANT TO THIS SUBSECTION (3)(b) IF THE VENDOR'S FAILURE TO REGISTER IS DUE TO REASONABLE CAUSE AND NOT WILLFUL NEGLIGENCE OR INTENT TO DEFRAUD.

39-37-108. Books and records to be preserved. (1) EVERY VENDOR SHALL KEEP COMPLETE AND ACCURATE RECORDS NECESSARY FOR THE DETERMINATION OF THE CORRECT TAX LIABILITY, INCLUDING ITEMIZED INVOICES OF ALL RETAIL SALES OF ANY FIREARMS, FIREARM PRECURSOR PARTS, OR AMMUNITION IN THIS STATE.

(2) A VENDOR SHALL PROVIDE A COPY OF THE RECORDS REQUIRED TO BE KEPT PURSUANT TO SUBSECTION (1) OF THIS SECTION, AND ANY OTHER RECORDS DEEMED NECESSARY BY THE EXECUTIVE DIRECTOR FOR THE DETERMINATION OF THE CORRECT TAX LIABILITY TO THE EXECUTIVE DIRECTOR, IF SO REQUESTED. THE EXECUTIVE DIRECTOR MAY ESTABLISH THE ACCEPTABLE FORM OF SUCH RECORDS.

39-37-109. Returns and remittance of tax - civil penalty. (1) EVERY VENDOR SHALL FILE A RETURN WITH THE EXECUTIVE DIRECTOR EACH MONTH. THE RETURN, WHICH MUST BE UPON FORMS PRESCRIBED AND FURNISHED BY THE EXECUTIVE DIRECTOR, MUST CONTAIN THE NET TAXABLE SALES FROM THE RETAIL SALE IN THIS STATE OF ANY FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION BY THE VENDOR DURING THE PRECEDING MONTH, THE TAX DUE THEREON, AND ANY OTHER INFORMATION THAT THE EXECUTIVE DIRECTOR MAY REASONABLY REQUIRE.

(2) EVERY VENDOR SHALL FILE THE RETURN REQUIRED BY SUBSECTION (1) OF THIS SECTION WITH THE EXECUTIVE DIRECTOR BY THE TWENTIETH DAY OF THE

MONTH FOLLOWING THE MONTH REPORTED AND WITH THE REPORT SHALL REMIT THE AMOUNT OF TAX DUE. THE VENDOR SHALL FILE THE RETURN REQUIRED BY SUBSECTION (1) OF THIS SECTION ELECTRONICALLY AND REMIT THE AMOUNT OF TAX DUE BY ELECTRONIC FUNDS TRANSFER.

(3) THE EXECUTIVE DIRECTOR MAY EXTEND THE TIME FOR FILING A RETURN AND REMITTING THE TAX DUE FOR GOOD CAUSE SHOWN OR UNDER SUCH REASONABLE RULES AS THE EXECUTIVE DIRECTOR MAY PROMULGATE.

(4) IF A PERSON NEGLECTS OR REFUSES TO FILE A TIMELY RETURN OR PAYMENT OF THE TAX, TO PAY OR CORRECTLY ACCOUNT FOR ANY TAX AS REQUIRED BY THIS ARTICLE 37, OR TO KEEP COMPLETE AND ACCURATE RECORDS, AS REQUIRED BY SECTION 39-37-109, THE EXECUTIVE DIRECTOR SHALL MAKE AN ESTIMATE, BASED UPON THE INFORMATION AVAILABLE, OF THE AMOUNT OF TAX DUE OR NOT ACCOUNTED FOR OR INCORRECTLY ACCOUNTED FOR ON A RETURN FOR THE PERIOD FOR WHICH THE VENDOR IS DELINQUENT. THE EXECUTIVE DIRECTOR SHALL ADD TO THE ESTIMATED AMOUNT OF TAX DUE OR NOT ACCOUNTED FOR OR INCORRECTLY ACCOUNTED FOR INTEREST, IF APPLICABLE PURSUANT TO SECTION 39-21-110.5, AND A PENALTY EQUAL TO THE GREATER OF:

(a) FIFTEEN DOLLARS; OR

(b) TEN PERCENT OF SUCH UNPAID, UNACCOUNTED, OR INCORRECTLY ACCOUNTED FOR AMOUNT OF TAX, PLUS ONE-HALF PERCENT PER MONTH FROM THE DATE WHEN DUE, NOT TO EXCEED EIGHTEEN PERCENT IN THE AGGREGATE.

39-37-110. Distribution of tax collected. (1) EACH MONTH, THE STATE TREASURER SHALL CREDIT THE MONEY COLLECTED FOR PAYMENT OF THE TAX LEVIED PURSUANT TO THIS PART 1 TO THE OLD AGE PENSION FUND CREATED IN SECTION 1 OF ARTICLE XXIV OF THE STATE CONSTITUTION IN ACCORDANCE WITH SECTION 2 (a) AND (f) OF ARTICLE XXIV OF THE STATE CONSTITUTION AND SHALL FURTHER TRANSFER AN AMOUNT EQUAL TO THIS AMOUNT FROM THE OLD AGE PENSION FUND TO THE GENERAL FUND IN ACCORDANCE WITH SECTION 7 (c) OF ARTICLE XXIV OF THE STATE CONSTITUTION.

(2) EACH MONTH, THE STATE TREASURER SHALL TRANSFER AN AMOUNT EQUAL TO THE AMOUNT OF MONEY COLLECTED FOR PAYMENT OF THE TAX LEVIED PURSUANT TO THIS PART 1 FROM THE GENERAL FUND TO THE FUND FOR DISTRIBUTION IN ACCORDANCE WITH SECTION 39-37-301 (2).

39-37-111. Prohibited acts - penalties. IT IS UNLAWFUL FOR ANY VENDOR TO WILLFULLY MAKE ANY FALSE OR FRAUDULENT RETURN OR FALSE STATEMENT ON ANY RETURN OR TO WILLFULLY EVADE THE PAYMENT OF THE TAX, OR ANY PART OF THE TAX, LEVIED PURSUANT TO THIS PART 1. ANY VENDOR WHO WILLFULLY VIOLATES ANY PROVISION OF THIS PART 1 SHALL BE PUNISHED AS PROVIDED IN SECTION 39-21-118.

39-37-112. Revenue and spending limitations. NOTWITHSTANDING ANY LIMITATIONS ON REVENUE, SPENDING, OR APPROPRIATIONS CONTAINED IN SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR ANY OTHER PROVISION OF LAW, ALL REVENUE GENERATED BY THE EXCISE TAX LEVIED PURSUANT TO THIS PART 1 AS

APPROVED BY THE VOTERS AT THE STATEWIDE ELECTION IN NOVEMBER 2024, MAY BE COLLECTED AND SPENT AS A VOTER-APPROVED REVENUE CHANGE AND SHALL NOT REQUIRE VOTER APPROVAL SUBSEQUENT TO THE VOTER APPROVAL REQUIRED PURSUANT TO PART 2 OF THIS ARTICLE 37.

PART 2
SUBMISSION OF BALLOT ISSUE - FIREARMS AND
AMMUNITION EXCISE TAX

39-37-201. Submission of ballot issue - excise tax on firearms and ammunition - definition. (1) AS USED IN THIS SECTION, "BALLOT ISSUE" MEANS THE QUESTION SUBMITTED TO VOTERS PURSUANT TO SUBSECTION (2) OF THIS SECTION.

(2) AT THE STATEWIDE ELECTION HELD IN NOVEMBER 2024, THE SECRETARY OF STATE SHALL SUBMIT TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION THE FOLLOWING BALLOT ISSUE: "SHALL STATE TAXES BE INCREASED BY \$39,000,000 ANNUALLY TO FUND MENTAL HEALTH SERVICES, INCLUDING FOR MILITARY VETERANS AND AT-RISK YOUTH, SCHOOL SAFETY AND GUN VIOLENCE PREVENTION, AND SUPPORT SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE AND OTHER VIOLENT CRIMES BY AUTHORIZING A TAX ON GUN DEALERS, GUN MANUFACTURERS, AND AMMUNITION VENDORS AT THE RATE OF 6.5% OF THE NET TAXABLE SALES FROM THE RETAIL SALE OF ANY GUN, GUN PRECURSOR PART, OR AMMUNITION, WITH THE STATE KEEPING AND SPENDING ALL OF THE NEW TAX REVENUE AS A VOTER-APPROVED REVENUE CHANGE?"

(3) FOR PURPOSES OF SECTION 1-5-407, THE BALLOT ISSUE IS A PROPOSITION. SECTION 1-40-106 (3)(d) DOES NOT APPLY TO THE BALLOT ISSUE.

PART 3
FIREARMS AND AMMUNITION EXCISE TAX CASH FUND

39-37-301. Firearms and ammunition excise tax cash fund - creation - distribution. (1) (a) THE FIREARMS AND AMMUNITION EXCISE TAX CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-110 (2) AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

(b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(2) (a) EXCEPT FOR ANY MONEY IN THE FUND THAT IS ANNUALLY APPROPRIATED BY THE GENERAL ASSEMBLY PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION, MONEY PAID INTO THE FUND PURSUANT TO SECTION 39-37-110 (2) OR CREDITED TO THE FUND PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION MUST BE DISTRIBUTED FROM THE FUND AS FOLLOWS:

(I) (A) THE FIRST THIRTY MILLION DOLLARS PAID INTO THE FUND IN THE FIRST FISCAL YEAR IN WHICH MONEY IS TRANSFERRED TO THE FUND MUST BE TRANSFERRED TO THE COLORADO CRIME VICTIM SERVICES FUND CREATED IN

SECTION 24-33.5-505.5 (2) AND USED FOR CRIME VICTIM SERVICES GRANTS, AS DESCRIBED IN SECTION 24-33.5-505.5 (3);

(B) FOR EACH FISCAL YEAR THEREAFTER, THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S DESIGNEE SHALL ANNUALLY CALCULATE AND ADJUST THE AMOUNT REQUIRED TO BE TRANSFERRED PURSUANT TO SUBSECTION (2)(a)(I)(A) OF THIS SECTION FOR INFLATION OR DEFLATION AND SHALL ROUND THE ADJUSTED AMOUNT UPWARD OR DOWNWARD TO THE NEAREST ONE THOUSAND DOLLARS. INFLATION OR DEFLATION IS MEASURED BY THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR DENVER-AURORA-LAKWOOD FOR "ALL ITEMS" PAID BY URBAN CONSUMERS. THE STATE TREASURER SHALL TRANSFER THE AMOUNT CALCULATED BY THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S DESIGNEE PURSUANT TO THIS SUBSECTION (2)(a)(I)(B) IN ACCORDANCE WITH THE REQUIREMENT IN SUBSECTION (2)(a)(I)(A) OF THIS SECTION.

(II) AFTER THE REQUIREMENT IN SUBSECTION (2)(a)(I) OF THIS SECTION IS MET, THE NEXT EIGHT MILLION DOLLARS PAID INTO THE FUND IN EACH FISCAL YEAR MUST BE TRANSFERRED TO THE BEHAVIORAL AND MENTAL HEALTH CASH FUND CREATED IN SECTION 24-75-230 (2)(a); AND

(III) AFTER THE REQUIREMENT IN SUBSECTION (2)(a)(II) OF THIS SECTION IS MET, THE NEXT ONE MILLION DOLLARS PAID INTO THE FUND IN EACH FISCAL YEAR MUST BE TRANSFERRED TO THE SCHOOL SECURITY DISBURSEMENT PROGRAM CASH FUND CREATED IN SECTION 24-33.5-1811 (1).

(b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, FOR STATE FISCAL YEAR 2024-25 AND ANY STATE FISCAL YEAR THEREAFTER, THE DEPARTMENT OF REVENUE MAY EXPEND MONEY FROM THE FUND FOR DIRECT AND INDIRECT COSTS ASSOCIATED WITH IMPLEMENTING AND ADMINISTERING THIS ARTICLE 37.

(3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, ON JUNE 30, 2025 AND JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER FROM THE FUND TO THE GENERAL FUND AN AMOUNT OF MONEY EQUAL TO THE AMOUNT OF MONEY USED IN THE STATE FISCAL YEARS 2024-25 AND 2025-26, FROM THE GENERAL FUND TO PAY THE COSTS OF IMPLEMENTING AND ADMINISTERING THIS ARTICLE 37.

SECTION 2. In Colorado Revised Statutes, 24-33.5-505.5, **amend** (2), (3), and (5)(a) as follows:

24-33.5-505.5. Colorado crime victim services fund - creation - uses - applications for grants - legislative declaration - repeal. (2) (a) The Colorado crime victim services fund is created in the state treasury and referred to in this section as the "fund". The fund consists of money transferred to the fund pursuant to subsection (4) of this section, MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-301 (2)(a)(I) and any other money that the general assembly may appropriate or transfer to the fund.

(b) Money ~~in~~ PAID INTO the fund PURSUANT TO SUBSECTION (4) OF THIS SECTION

is continuously appropriated to the division for crime victim services grants, as described in subsection (3) of this section.

(c) MONEY PAID INTO THE FUND PURSUANT TO SECTION 39-37-301 (2)(a)(I) MUST BE USED FOR CRIME VICTIM SERVICES GRANTS, AS DESCRIBED IN SUBSECTION (3) OF THIS SECTION.

(d) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(3) The division shall award grants from the fund to governmental agencies and nonprofit organizations that provide services for crime victims, including attending to the needs of animal companions. A grant award may be used to enhance or provide services for crime victims OR FOR THE PREVENTION OF CRIMES. The division shall award grants from the fund in accordance with the division's process for awarding grants described in section 24-33.5-507.

(5) (a) The division may use up to five hundred thousand dollars of the money transferred to the fund pursuant to subsection (4) of this section and up to five percent of any other money transferred or appropriated to the fund for development and administrative costs incurred by the division pursuant to this section; EXCEPT THAT THE DIVISION MAY USE UP TO TEN PERCENT OF THE MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-301 (2)(a)(I) FOR DEVELOPMENT AND ADMINISTRATIVE COSTS INCURRED BY THE DIVISION PURSUANT TO SUBSECTION (2)(c) OF THIS SECTION.

SECTION 3. In Colorado Revised Statutes, **amend** 24-33.5-1811 as follows:

24-33.5-1811. School security disbursement program cash fund - repeal.

(1) The school security disbursement program cash fund, referred to in this section as the "fund" is created in the state treasury. The fund consists of money TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-301 (2)(a)(III) AND ANY OTHER MONEY that the general assembly may appropriate or transfer to the fund. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund. Subject to annual appropriation by the general assembly, the department may expend money from the fund to implement the school security disbursement program created in section 24-33.5-1810. The department may expend up to three percent of the amount appropriated to the fund in each fiscal year for the administrative expenses incurred in implementing the school security disbursement program.

(2) This section is repealed, effective July 1, 2024. ~~The state treasurer shall transfer all unexpended and unencumbered money in the fund on June 30, 2024, to the general fund JULY 1, 2032.~~

SECTION 4. In Colorado Revised Statutes, 24-75-230, **amend** (2)(a), (3), and (5); and **add** (3.5) and (3.7) as follows:

24-75-230. Behavioral and mental health cash fund - creation - allowable uses - task force - definitions - repeal. (2) (a) The behavioral and mental health cash fund is created in the state treasury. The fund consists of money credited to the

fund in accordance with subsection (2)(b) of this section, MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-301 (2)(a)(II), and any other money that the general assembly may appropriate or transfer to the fund. ~~To respond to the public health emergency with respect to COVID-19 or its negative economic impacts or for the provision of government services;~~ The general assembly may appropriate money from the fund to a department for behavioral health care.

(3) (a) A department may expend money appropriated from the fund THAT WAS CREDITED TO THE FUND IN ACCORDANCE WITH SUBSECTION (2)(b) OF THIS SECTION for purposes permitted under the "American Rescue Plan Act of 2021" Pub.L. 117-2, as the act may be subsequently amended, and shall not use the money for any purpose prohibited by the act. A department or any person who receives SUCH money from the fund shall comply with any requirements set forth in section 24-75-226.

(b) THE LIMITATIONS AND REQUIREMENTS SET FORTH IN SUBSECTION (3)(a) OF THIS SECTION DO NOT APPLY TO MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-301 (2)(a)(II).

(3.5) THE FIRST FIVE MILLION DOLLARS OF THE MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-301 (2)(a)(II), MUST BE USED BY THE BEHAVIORAL HEALTH ADMINISTRATION, ESTABLISHED PURSUANT TO SECTION 27-50-102, IN COORDINATION WITH THE DIVISION OF VETERANS AFFAIRS, CREATED IN SECTION 28-5-701 (1), FOR THE PURPOSE OF CONTINUING AND EXPANDING THE VETERANS MENTAL HEALTH SERVICES PROGRAM IN ACCORDANCE WITH SECTION 28-5-714.

(3.7) AFTER THE REQUIREMENT IN SUBSECTION (3.5) OF THIS SECTION IS MET, THE NEXT THREE MILLION DOLLARS OF THE MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-301 (2)(a)(II), MUST BE USED BY THE BEHAVIORAL HEALTH ADMINISTRATION FOR THE PURPOSE OF CONTINUING AND EXPANDING ACCESS TO BEHAVIORAL HEALTH CRISIS RESPONSE SYSTEM SERVICES FOR CHILDREN AND YOUTH IN ACCORDANCE WITH ARTICLE 60 OF TITLE 27.

(5) This section is repealed, effective ~~July 1, 2027~~ JULY 1, 2032.

SECTION 5. In Colorado Revised Statutes, 27-60-103, **add** (1.7) as follows:

27-60-103. Behavioral health crisis response system - services - request for proposals - criteria - reporting - rules - definitions - repeal. (1.7) BEGINNING JANUARY 1, 2025, THE BHA SHALL USE THE MONEY TRANSFERRED TO THE BEHAVIORAL AND MENTAL HEALTH CASH FUND PURSUANT TO SECTIONS 24-75-230 (2)(a) AND 39-37-301 (2)(a)(II), TO CONTINUE AND EXPAND ACCESS TO BEHAVIORAL HEALTH CRISIS RESPONSE SYSTEM SERVICES FOR CHILDREN AND YOUTH IN ACCORDANCE WITH THIS ARTICLE 60.

SECTION 6. In Colorado Revised Statutes, 28-5-714, **amend** (2)(d) as follows:

28-5-714. Veterans mental health services program - report - rules - definitions. (2) (d) The behavioral health administration established in section 27-50-102 shall COORDINATE WITH THE DIVISION TO CONTINUE AND EXPAND THE

PROGRAM USING THE MONEY TRANSFERRED PURSUANT TO SECTION 39-37-301 (2)(a)(II), TO THE BEHAVIORAL AND MENTAL HEALTH CASH FUND, CREATED IN SECTION 24-75-230 (2)(a), IN ACCORDANCE WITH SECTION 24-75-230 (3.5) AND SHALL post on its website a list of providers who participate in the program.

SECTION 7. In Colorado Revised Statutes, 39-21-102, **amend** (1) as follows:

39-21-102. Scope. (1) Unless otherwise indicated, the provisions of this article 21 apply to the taxes or fees imposed by ~~articles 22 to 35~~ ARTICLES 22 TO 37 of this title 39 and article 60 of title 34, section 21 of article X of the state constitution, article 3 of title 42, part 5 of article 3 of title 44, articles 11 and 20 of title 30, article 4 of title 43, article 2 of title 40, and part 2 of article 20 of title 8.

SECTION 8. In Colorado Revised Statutes, 39-21-103, **amend** (1) as follows:

39-21-103. Hearings. (1) As soon as practicable after any tax return or the return showing the value of oil and gas is filed, ~~pursuant to articles 22 to 29 of this title, article 60 of title 34, or article 3 of title 42, C.R.S.~~, the executive director shall examine it and shall determine the correct amount of tax. If the tax found due is greater than the amount theretofore assessed or paid, a notice of deficiency shall be mailed to the taxpayer by first-class mail as set forth in section 39-21-105.5.

SECTION 9. In Colorado Revised Statutes, 39-21-106, **amend** (1) as follows:

39-21-106. Compromise. (1) The executive director or ~~his or her~~ THE EXECUTIVE DIRECTOR'S delegate may compromise any civil or criminal case arising under any tax or ~~the charge on oil and gas production imposed by articles 22 to 29 of this title, article 60 of title 34, or article 3 of title 42, C.R.S.~~, ADMINISTERED PURSUANT TO THIS ARTICLE 21 prior to reference to the department of law for prosecution or defense; and the attorney general or ~~his or her~~ THE ATTORNEY GENERAL'S delegate shall, upon the written direction of the executive director, compromise any such case after reference to the department of law for prosecution or defense.

SECTION 10. In Colorado Revised Statutes, 39-21-107, **amend** (1) as follows:

39-21-107. Limitations. (1) Except as provided in this section, in section 29-2-106.1 (5)(b), and unless such time is extended by waiver, the amount of any tax or of any charge on oil and gas production ~~imposed pursuant to articles 24 to 29 of this title 39 or article 3 of title 42~~, and the penalty and interest applicable thereto, shall be assessed within three years after the return was filed, whether or not such return was filed on or after the date prescribed, and no assessment shall be made or credit taken and no notice of lien shall be filed, nor distraint warrant issued, nor suit for collection instituted, nor any other action to collect the same commenced after the expiration of such period; except that a written proposed adjustment of the tax liability by the department issued prior to the expiration of such period shall extend the limitation of this subsection (1) for one year after a final determination or assessment is made. No lien shall continue after the three-year period provided for in this subsection (1), except for taxes assessed before the expiration of such period, notice of lien with respect to which has been filed prior to the expiration of such period, and except for taxes on which written notice of any proposed adjustment of

the tax liability has been sent to the taxpayer during such three-year period, in which case the lien shall continue for one year only after the expiration of such period or after the issuance of a final determination or assessment based on the proposed adjustment issued prior to the expiration of the three-year period. This subsection (1) ~~shall~~ DOES not apply to income tax or to any tax imposed under article 23.5 of this title 39.

SECTION 11. In Colorado Revised Statutes, 39-21-108, **amend** (3)(a)(I)(A) as follows:

39-21-108. Refunds. (3) (a) (I) (A) Whenever it is established that any taxpayer has, for any period open under the statutes, overpaid a tax covered by ~~articles 22 and 26 to 29 of this title 39, article 60 of title 34, and article 3 of title 42~~ ADMINISTERED PURSUANT TO THIS ARTICLE 21 and that: There is an unpaid balance of tax and interest accrued, according to the records of the executive director, owing by such taxpayer for any other period; there is an amount required to be repaid to the unemployment compensation fund pursuant to section 8-81-101 (4), the amount of which has been determined to be owing as a result of a final agency determination or judicial decision or that has been reduced to judgment by the division of unemployment insurance in the department of labor and employment; there is any unpaid child support debt as set forth in section 14-14-104, or child support arrearages that are the subject of enforcement services provided pursuant to section 26-13-106, as certified by the department of human services; there are any unpaid obligations owing to the state as set forth in section 26-2-133, for overpayment of public assistance or medical assistance benefits, the amount of which has been determined to be owing as a result of final agency determination or judicial decision or that has been reduced to judgment, as certified by the department of human services; there are any unpaid obligations owing to the state as set forth in section 26.5-4-119, for overpayment of child care assistance, the amount of which has been determined to be owing as a result of final agency determination or judicial decision or that has been reduced to judgment as certified by the department of early childhood; there is any unpaid loan or other obligation due to a state-supported institution of higher education as set forth in section 23-5-115, the amount of which has been determined to be owing as a result of a final agency determination or judicial decision or that has been reduced to judgment, as certified by the appropriate institution; there is any unpaid loan due to the student loan division of the department of higher education as set forth in section 23-3.1-104 (1)(p), the amount of which has been determined to be owing as a result of a final agency determination or judicial decision or that has been reduced to judgment, as certified by the division; there is any unpaid loan due to the collegeinvest division of the department of higher education as set forth in section 23-3.1-206, the amount of which has been determined to be owing as a result of a final agency determination or judicial decision or that has been reduced to judgment; there is any outstanding judicial fine, fee, cost, or surcharge as set forth in section 16-11-101.8, or judicial restitution as set forth in section 16-18.5-106.8, the amount of which has been determined to be owing as a result of a final judicial department determination or certified by the judicial department as a judgment owed the state or a victim; there is any unpaid debt owing to the state or any agency thereof by such taxpayer, and that is found to be owing as a result of a final agency determination or the amount of which has been reduced to judgment and as certified by the state agency; or the taxpayer is a qualified individual identified pursuant to section 39-22-120 (10) or

39-22-2003 (9), so much of the overpayment of tax plus interest allowable thereon as does not exceed the amount of such unpaid balance or unpaid debt must be credited first to the unpaid balance of tax and interest accrued and then to the unpaid debt, and any excess of the overpayment must be refunded. If the taxpayer elects to designate his or her refund as a credit against a subsequent year's tax liability, the amount allowed to be so credited must be reduced first by the unpaid balance of tax and interest accrued and then by the unpaid debt. If the taxpayer filed a joint return, the executive director shall notify the other taxpayer named on the joint return that the portion of the overpayment that is generated by the other taxpayer's income will be refunded upon receipt of a request detailing said amount.

SECTION 12. In Colorado Revised Statutes, 39-21-109, **amend** (1) as follows:

39-21-109. Interest on underpayment, nonpayment, or extensions of time for payment of tax. (1) ~~If any amount of tax or any charge on oil and gas production imposed pursuant to articles 22 to 29 of this title, article 60 of title 34, or article 3 of title 42, C.R.S., ADMINISTERED PURSUANT TO THIS ARTICLE 21 is not paid on or before the last date prescribed for payment, interest on such amount at the rate imposed under section 39-21-110.5, except as provided in subsection (1.5) of this section, shall be paid for the period from such last date to the date paid. The last date prescribed for payment shall be determined without regard to any extension of time for payment and shall be determined without regard to any notice and demand for payment issued, by reason of jeopardy, prior to the last date otherwise prescribed for such payment. In the case of a tax in which the last date for payment is not otherwise prescribed, the last date for payment shall be deemed to be the date the liability for the tax arises, and in no event shall it be later than the date notice and demand for the tax is made by the executive director of the department of revenue or his~~ THE EXECUTIVE DIRECTOR'S delegate.

SECTION 13. In Colorado Revised Statutes, 39-21-110, **amend** (1) introductory portion, (2), and (3) as follows:

39-21-110. Interest on overpayments - repeal. (1) Interest shall be allowed and paid upon any overpayment in respect to any tax or ~~any charge on oil and gas production imposed pursuant to articles 22 to 29 of this title 39, article 60 of title 34, or article 3 of title 42~~ ADMINISTERED PURSUANT TO THIS ARTICLE 21 at the rate imposed under section 39-21-110.5. Such interest shall be allowed and paid as follows:

(2) Any portion of any tax or ~~of a charge on oil and gas production imposed pursuant to articles 22 to 29 of this title, article 60 of title 34, or article 3 of title 42, C.R.S., ADMINISTERED PURSUANT TO THIS ARTICLE 21~~ or any interest, assessable penalty, additional amount, or addition to a tax or charge which has been erroneously refunded shall bear interest at the rate imposed under section 39-21-110.5 from the date of the payment of the refund.

(3) If any overpayment of any tax or ~~of a charge on oil and gas production imposed pursuant to articles 22 to 29 of this title, article 60 of title 34, or article 3 of title 42, C.R.S., ADMINISTERED PURSUANT TO THIS ARTICLE 21~~ is refunded within ninety days after the last date prescribed for filing the return of such tax or charge,

determined without regard to any extension of time for filing the return, no interest shall be allowed under subsection (1) of this section on such overpayment.

SECTION 14. In Colorado Revised Statutes, 39-21-110.5, **amend** (1) as follows:

39-21-110.5. Rate of interest to be fixed. (1) When interest is required or permitted to be charged ~~under any provision of articles 20 to 29 of this title in connection with interest~~ PURSUANT TO THIS SECTION ON ANY underpayment, nonpayment, extension of time for payment, or overpayment, or when interest is required to be paid pursuant to section 8-20.5-104, ~~C.R.S.~~, in connection with an application for reimbursement from the petroleum storage tank fund, such interest shall be computed at the annual rate which has been established pursuant to this section.

SECTION 15. In Colorado Revised Statutes, 39-21-112, **amend** (1) as follows:

39-21-112. Duties and powers of executive director. (1) It is the duty of the executive director to administer the provisions of this article 21, and the executive director has the power to adopt, amend, or rescind such rules not inconsistent with the provisions of this article 21, ~~articles 22 to 29 of this title 39, and article 3 of title 42~~ THE STATUTORY PROVISIONS LISTED IN SECTION 39-21-102, and, subject to other provisions of law relating to the promulgation of rules, to appoint, pursuant to section 13 of article XII of the state constitution, such persons, to make such expenditures, to require such reports, to make such investigations, and to take such other action as the executive director deems necessary or suitable to that end. The executive director shall determine the organization and methods of procedure in accordance with the provisions of this article 21. For the purpose of ascertaining the correctness of any return or for the purpose of making an estimate of the tax due from any taxpayer, the executive director has the power to examine or cause to be examined by any employee, agent, or representative designated by the executive director for that purpose any books, papers, records, or memoranda bearing upon the matters required to be included in the return. In the exercise of rule-making authority as to article 29 of this title 39, as granted by the general assembly pursuant to this subsection (1), the executive director may not readopt any rule, or portion thereof, disapproved on or after July 1, 1982, by the general assembly pursuant to section 24-4-103 (8)(d) without the approval of the general assembly.

SECTION 16. In Colorado Revised Statutes, 39-21-113, **amend** (1)(a) as follows:

39-21-113. Reports and returns - rule - repeal. (1) (a) It is the duty of every person, firm, or corporation liable to the state of Colorado for any tax or ~~any charge on oil and gas production imposed pursuant to articles 23.5 to 29 of this title or article 3 of title 42, C.R.S.~~, ADMINISTERED PURSUANT TO THIS ARTICLE 21 to keep and preserve for a period of three years such books, accounts, and records as may be necessary to determine the amount of liability.

SECTION 17. In Colorado Revised Statutes, 39-21-119.5, **amend** (1), (4)(k), and (4)(l); and **add** (4)(o) as follows:

39-21-119.5. Mandatory electronic filing of returns - mandatory electronic payment - penalty - waiver - definitions. (1) For purposes of this section, "return" means any report, claim, tax return statement, or other document required or authorized under articles 11 and 25 of title 29, article 11 of title 30, articles 22, 26, 27, 28, 28.5, 28.6, 28.8, ~~and 29~~, AND 37 of this title 39, article 2 of title 40, article 3 of title 42, article 4 of title 43, and title 44, and any form, statement report, or other document prescribed by the executive director for reporting a tax liability, a fee liability, or other information required to be returned to the executive director, including the reporting of changes or amendments thereto, and any schedule certification, worksheet, or other document required to accompany the return.

(4) Except as provided in subsection (6) of this section, on and after August 2, 2019, electronic filing of returns and the payment of any tax or fee by electronic funds transfer is required for the following:

(k) Any clean fleet per ride fee and air pollution mitigation per ride fee return required to be filed and payment required pursuant to section 40-10.1-607.5; ~~and~~

(l) Any quarterly report for the advance payment of an income tax credit required to be filed pursuant to section 39-22-629 (2)(b); AND

(o) ANY FIREARMS AND AMMUNITION EXCISE TAX RETURN REQUIRED TO BE FILED AND ANY PAYMENT OF TAX REQUIRED TO BE REMITTED PURSUANT TO ARTICLE 37 OF THIS TITLE 39.

SECTION 18. Appropriation. (1) For the 2024-25 state fiscal year, \$383,027 is appropriated to the department of revenue. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:

(a) \$26,810 for use by the executive director's office for personal services related to administration and support;

(b) \$139,050 for tax administration IT system (GenTax) support;

(c) \$40,493 for use by the taxation business group for personal services related to taxation services, which amount is based on an assumption that the group will require an additional 0.4 FTE;

(d) \$3,847 for use by the taxation business group for operating expenses related to taxation services; and

(e) \$172,827 for the purchase of legal services.

(2) For the 2024-25 state fiscal year, \$172,827 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(e) of this section and is based on an assumption that the department of law will require an additional 0.8 FTE. To implement this act, the department of law may use this appropriation to provide legal services for the department of revenue.

(3) The money appropriated by this section becomes available upon passage of the ballot measure pursuant to section 39-37-201, (2) C.R.S.

SECTION 19. Effective date. (1) Except as otherwise provided in subsection (2) of this section, this act takes effect only if, at the November 2024 statewide election, a majority of voters approve the ballot issue referred in accordance with section 39-37-201, Colorado Revised Statutes, created in section 1 of this act. If the voters approve the ballot issue, then this act takes effect on the date of the official declaration of the vote thereon by the governor.

(2) Section 39-37-201, Colorado Revised Statutes, created in section 1 of this act, and section 24-33.5-1811, Colorado Revised Statutes, amended in section 3 of this act, take effect upon passage.

SECTION 20. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: June 5, 2024