

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

ENGROSSED

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

LLS NO. 18-0445.01 Ed DeCecco x4216

SENATE BILL 18-077

SENATE SPONSORSHIP

Crowder,

HOUSE SPONSORSHIP

Reyher and Valdez,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING A STATE SALES AND USE TAX EXEMPTION FOR USED**
102 **MOTOR VEHICLES.**

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>.)

On and after January 1, 2019, the bill exempts a motor vehicle from state sales and use tax, if state sales and use tax was previously collected on the sale or storage, use, or consumption of the motor vehicle. A lessee paying sales tax related to a leased motor vehicle would not qualify for the exemption. The exemption does not apply to any other political subdivision that levies a sales and use tax that is based on the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
Amended 2nd Reading
April 17, 2018

state sales and use tax.

The department of revenue is permitted to disclose information about prior state sales and use tax paid as is necessary to administer the new exemption.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) Buying a motor vehicle is one of the largest purchases that a
5 person makes;

6 (b) Motor vehicles are becoming increasingly more expensive,
7 and many middle-class families can no longer afford to purchase one;

8 (c) Over time, many motor vehicles have more than one owner,
9 and the state collects sales and use taxes after each transfer; and

10 (d) Even with a sales and use tax exemption for used motor
11 vehicles, the state will still collect a significant amount of tax revenue
12 from the sales of new motor vehicles.

13 (2) Now, therefore, it is the general assembly's intent to create the
14 sales tax exemption included in this act for the purpose of helping
15 middle-class Coloradans be able to purchase an affordable means of
16 transportation.

17 **SECTION 2.** In Colorado Revised Statutes, 39-21-113, **add** (25)
18 as follows:

19 **39-21-113. Reports and returns - rule.** (25) NOTWITHSTANDING
20 THE PROVISIONS OF THIS SECTION, THE EXECUTIVE DIRECTOR SHALL MAKE
21 INFORMATION ABOUT THE TAX LEVIED AND COLLECTED IN ACCORDANCE
22 WITH ARTICLE 26 OF THIS TITLE 39 AVAILABLE AS IS NECESSARY TO
23 ADMINISTER SECTION 39-26-719.

1 **SECTION 3.** In Colorado Revised Statutes, 39-26-719, **add** (3)
2 as follows:

3 **39-26-719. Motor vehicles - definitions. (3) (a) THE SALE OF A**
4 **MOTOR VEHICLE IS EXEMPT FROM THE TAX IMPOSED IN ACCORDANCE WITH**
5 **PART 1 OF THIS ARTICLE 26 IF:**

6 **(I) A CERTIFICATE OF TITLE HAS PREVIOUSLY BEEN ISSUED IN THE**
7 **STATE FOR THE MOTOR VEHICLE; AND**

8 **(II) THE TAXABLE VALUE OF THE MOTOR VEHICLE IS TWENTY**
9 **THOUSAND DOLLARS OR LESS.**

10 **(b) THE STORAGE, USE, AND CONSUMPTION OF A MOTOR VEHICLE**
11 **THAT IS EXEMPT IN ACCORDANCE WITH SUBSECTION (3)(a) OF THIS**
12 **SECTION IS EXEMPT FROM THE TAX IMPOSED IN ACCORDANCE WITH PART**
13 **2 OF THIS ARTICLE 26.**

14 **(c)** NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE SALE
15 OR STORAGE, USE, OR CONSUMPTION OF A MOTOR VEHICLE IS NOT EXEMPT
16 FROM THE SALES AND USE TAX LEVIED BY ANY LOCAL GOVERNMENT OR
17 POLITICAL SUBDIVISION OF THE STATE THAT LEVIES A SALES AND USE TAX
18 BASED ON THE STATE SALES AND USE TAX.

19 **(d)** AS USED IN THIS SUBSECTION (3):

20 **(I)** "MOTOR VEHICLE" MEANS ANY SELF-PROPELLED VEHICLE
21 REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR OPERATION
22 UPON THE HIGHWAYS OF THE STATE.

23 **(II)** "STATE SALES AND USE TAX" MEANS THE TAX LEVIED AND
24 COLLECTED IN ACCORDANCE WITH PARTS 1 AND 2 OF THIS ARTICLE 26.

25 **SECTION 4. Act subject to petition - effective date.** This act
26 takes effect at 12:01 a.m. on the day following the expiration of the
27 ninety-day period after final adjournment of the general assembly (August

1 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
2 referendum petition is filed pursuant to section 1 (3) of article V of the
3 state constitution against this act or an item, section, or part of this act
4 within such period, then the act, item, section, or part will not take effect
5 unless approved by the people at the general election to be held in
6 November 2018 and, in such case, will take effect on the date of the
7 official declaration of the vote thereon by the governor.