

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REREVISED

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

LLS NO. 19-1088.01 Nicole Myers x4326

SENATE BILL 19-248

SENATE SPONSORSHIP

Tate and Bridges, Todd, Court, Donovan, Moreno, Pettersen, Priola

HOUSE SPONSORSHIP

Singer and Baisley, Titone, Arndt, Becker, Benavidez, Buentello, Duran, Gray, Hooton, Jaquez Lewis, Kipp, Lontine, Michaelson Jenet, Pelton, Saine, Sandridge, Snyder, Valdez A., Valdez D., Van Winkle

Senate Committees

Legislative Council
Appropriations

House Committees

Business Affairs & Labor
Appropriations

HOUSE
3rd Reading Unamended
May 2, 2019

A BILL FOR AN ACT

101 **CONCERNING A REQUIREMENT THAT THE DIRECTOR OF RESEARCH OF**
102 **THE LEGISLATIVE COUNCIL CONVENE A WORKING GROUP TO**
103 **CONDUCT AN ANALYSIS OF THE STATE TAX SYSTEM USED BY THE**
104 **DEPARTMENT OF REVENUE, AND, IN CONNECTION THEREWITH,**
105 **MAKING AN APPROPRIATION.**

HOUSE
2nd Reading Unamended
May 1, 2019

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/>.)

SENATE
3rd Reading Unamended
April 25, 2019

Joint Technology Committee. The bill requires the director of research of the legislative council, in coordination with the other

SENATE
Amended 2nd Reading
April 24, 2019

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.

nonpartisan legislative staff agencies, the department of revenue, the department of personnel, and the governor's office of information technology, to convene a state tax system working group (working group) to meet during the interim following the first regular session of the seventy-second general assembly and to conduct an analysis of the state tax system used by the department of revenue. The bill specifies the aspects of the state tax system that the working group is required to consider.

The working group is authorized to solicit input from any additional interested parties, as deemed necessary and appropriate by the working group. The working group is required to provide a progress report regarding its work to the joint technology committee and the joint budget committee and to submit a report of its findings and recommendations in connection with the state tax system to the joint technology committee, the joint budget committee, and the finance committees of the house of representatives and the senate.

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

2 **SECTION 1.** In Colorado Revised Statutes, 2-3-304, **add** (8) as
3 follows:

4 **2-3-304. Director of research - assistants - repeal.** (8) (a) THE
5 DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL, IN COORDINATION
6 WITH THE OTHER NONPARTISAN LEGISLATIVE STAFF AGENCIES, THE
7 DEPARTMENT OF REVENUE, THE DEPARTMENT OF PERSONNEL, AND THE
8 GOVERNOR'S OFFICE OF INFORMATION TECHNOLOGY, SHALL CONVENE A
9 STATE TAX SYSTEM WORKING GROUP TO MEET DURING THE INTERIM
10 FOLLOWING THE FIRST REGULAR SESSION OF THE SEVENTY-SECOND
11 GENERAL ASSEMBLY AND TO CONDUCT AN ANALYSIS OF THE STATE TAX
12 SYSTEM CURRENTLY USED BY THE DEPARTMENT OF REVENUE. THE
13 WORKING GROUP SHALL EVALUATE AND CONSIDER THE FOLLOWING:

14 (I) THE DEFICITS OF THE CURRENT STATE TAX SYSTEM, INCLUDING
15 REQUESTS THAT THE SYSTEM CANNOT SATISFY STAKEHOLDER
16 DISSATISFACTION WITH THE SYSTEM;

1 (II) THE BENEFIT OF OWNERSHIP OF THE CURRENT TAX SYSTEM IN
2 RELATIONSHIP TO THE COSTS OF THE TOTAL DEFICITS OF THE CURRENT
3 SYSTEM;

4 (III) WHETHER IT WOULD BE MORE BENEFICIAL TO STAKEHOLDERS
5 AND COST-EFFECTIVE FOR THE STATE TO MAKE ADJUSTMENTS AND NEW
6 INVESTMENTS IN THE CURRENT STATE TAX SYSTEM TO ADDRESS THE
7 DEFICITS OF THE SYSTEM OR TO PURSUE A REPLACEMENT SYSTEM;

8 (IV) POTENTIAL AREAS OF IMPROVEMENT FOR THE CURRENT STATE
9 TAX SYSTEM, INCLUDING OPTIONS TO PROVIDE A ROBUST TAX REPORTING
10 AND ANALYTICS SOLUTION AND OPTIONS TO DEVELOP AND MAINTAIN AN
11 EXTERNAL SEVERANCE TAX MODULE THAT INTERFACES WITH THE
12 CURRENT STATE TAX SYSTEM;

13 (V) OPTIONS FOR MANAGING THE RECURRING CHANGES IN TAX
14 DATA AND THE METHOD BY WHICH NEWLY REQUESTED TAX REPORTS ARE
15 IMPLEMENTED AND GENERATED TO TRACK THOSE TAX CHANGES; AND

16 (VI) ANY OTHER EVALUATIONS OR CONSIDERATIONS DEEMED
17 NECESSARY BY THE WORKING GROUP IN CONNECTION WITH THE STATE TAX
18 SYSTEM.

19 (b) THE STATE TAX SYSTEM WORKING GROUP SHALL HOLD ITS
20 FIRST MEETING ON OR BEFORE JUNE 1, 2019.

21 (c) THE STATE TAX SYSTEM WORKING GROUP MAY SOLICIT INPUT
22 FROM ANY ADDITIONAL INTERESTED PARTIES AS DEEMED NECESSARY AND
23 APPROPRIATE BY THE WORKING GROUP.

24 (d) ON OR BEFORE OCTOBER 1, 2019, THE STATE TAX SYSTEM
25 WORKING GROUP SHALL PROVIDE AN UPDATE TO THE JOINT TECHNOLOGY
26 COMMITTEE AND THE JOINT BUDGET COMMITTEE REGARDING THE
27 PROGRESS OF THE WORKING GROUP'S EVALUATIONS AND CONSIDERATIONS

1 PURSUANT TO THIS SUBSECTION (8).

2 (e) ON OR BEFORE DECEMBER 1, 2019, THE STATE TAX SYSTEM
3 WORKING GROUP SHALL SUBMIT A REPORT OF ITS FINDINGS AND
4 RECOMMENDATIONS TO THE JOINT TECHNOLOGY COMMITTEE, THE JOINT
5 BUDGET COMMITTEE, AND THE FINANCE COMMITTEES OF THE HOUSE OF
6 REPRESENTATIVES AND THE SENATE. THE REPORT SHALL INCLUDE:

7 (I) THE FINDINGS AND RECOMMENDATIONS OF THE WORKING
8 GROUP IN CONNECTION WITH THE ITEMS SPECIFIED IN SUBSECTION (8)(a)
9 OF THIS SECTION;

10 (II) A RECOMMENDATION REGARDING WHETHER AN INDEPENDENT
11 THIRD-PARTY ASSESSMENT OF THE STATE TAX SYSTEM IS NECESSARY; AND

12 (III) A RECOMMENDATION REGARDING WHETHER TO CONTINUE
13 THE WORK OF THE WORKING GROUP THROUGH THE INTERIM FOLLOWING
14 THE SECOND REGULAR SESSION OF THE SEVENTY-SECOND GENERAL
15 ASSEMBLY.

16 (f) THIS SUBSECTION (8) IS REPEALED, EFFECTIVE JUNE 30, 2020.

17 **SECTION 2. Appropriation.** (1) For the 2019-20 state fiscal
18 year, \$44,552 is appropriated to the legislative department. This
19 appropriation is from the general fund. To implement this act, the
20 department may use this appropriation as follows:

21 (a) \$36,997 for use by the legislative council, which amount is
22 based on an assumption that the legislative council will require an
23 additional 0.4 FTE; and

24 (b) \$7,555 for use by the office of legislative legal services, which
25 amount is based on an assumption that the office will require an additional
26 0.1 FTE.

27 (2) For the 2019-20 state fiscal year, \$30,000 is appropriated to the

1 department of revenue. This appropriation is from the general fund. To
2 implement this act, the department may use this appropriation for
3 personal services related to taxation administration.

4 **SECTION 3. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, and safety.