

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.



HOUSE BILL 21-1156

BY REPRESENTATIVE(S) Lynch and Pico, Arndt, Valdez D., Duran, McKean, Ricks, Titone;
also SENATOR(S) Kirkmeyer and Zenzinger, Moreno, Woodward, Cooke, Gardner, Liston, Lundeen, Priola, Rankin, Simpson, Sonnenberg.

CONCERNING THE CORRECTION OF STATUTORY DEFECTS RELATED TO SEVERANCE TAX WITHHOLDINGS FROM A DISBURSEMENT TO AN OIL AND GAS INTEREST OWNER.

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

SECTION 1. In Colorado Revised Statutes, 39-29-111, **amend** (1)(a) and (3) as follows:

39-29-111. Withholding of income from oil and gas interest.

(1) (a) Every producer or purchaser who disburses funds that are owed to any person owning a working interest, a royalty interest, a production payment, or any other interest in any oil or gas produced in Colorado shall, unless such production is exempt under section 39-29-105 (1) and the producer or purchaser has registered such exempt production with the department of revenue in accordance with rules promulgated by the department, withhold from the amount owed to such person an amount

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.

equal to one percent of the gross income from such interest, except for income accruing to the United States or the state of Colorado or to any political subdivision of the state of Colorado. The amount withheld shall be IS based on gross income as defined in section 39-29-102 (3)(a). ~~On or before each March 1, June 1, September 1, and December 1 prior to July 1, 2007, the aggregate of all such amounts withheld during the prior calendar quarter shall be paid to the department; and, no later than such dates, a report covering the withholding of such amounts shall be filed with the department upon forms prescribed by the executive director.~~ On the first day of each month beginning with July 1, 2007, the aggregate of all such amounts withheld during the calendar month that was three months prior thereto shall be paid to the department in the manner set forth in ~~paragraph (b) of this subsection~~ (1) SECTION 39-21-119.5 (4)(b). Nothing in this section shall be so construed as to reduce the tax imposed by this ~~article~~ ARTICLE 29.

(3) For the purposes of subsection (1) of this section, "producer OR PURCHASER" means every person producing or extracting ~~oil shale or~~ oil and gas deposits located within this state or the first purchaser of ~~oil shale or~~ oil and gas produced from deposits located within this state.

SECTION 2. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in

November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Leroy M. Garcia
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO