

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

REREVISED

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

LLS NO. 22-0024.01 Megan Waples x4348

HOUSE BILL 22-1055

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House Committees

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Appropriations

Senate Committees

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A BILL FOR AN ACT

101 **CONCERNING A SALES AND USE TAX EXEMPTION FOR ESSENTIAL**
102 **HYGIENE PRODUCTS.**

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>.)

The bill creates a state sales tax exemption commencing January 1, 2023, for all sales, storage, use, and consumption of feminine hygiene products and diapers. The bill further provides that local statutory taxing jurisdictions may choose to adopt either or both exemptions by express inclusion in their sales and use tax ordinance or resolution.

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
3rd Reading Unamended
May 2, 2022

SENATE
2nd Reading Unamended
April 29, 2022

HOUSE
3rd Reading Unamended
March 17, 2022

HOUSE
Amended 2nd Reading
March 16, 2022

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-26-717, **amend**
3 (2)(k) and (2)(l); and **add** (1)(a.5), (1)(b.5), (2)(m), and (2)(n) as follows:

4 **39-26-717. Drugs and medical and therapeutic devices -**
5 **legislative declaration - definitions - repeal.** (1) As used in this section,
6 unless the context otherwise requires:

7 (a.5) "INCONTINENCE PRODUCTS AND DIAPERS" MEANS ABSORBENT
8 CLOTH OR DISPOSABLE PRODUCTS WORN BY HUMANS WHO ARE INCAPABLE
9 OF, OR HAVE DIFFICULTY, CONTROLLING THEIR BLADDER OR BOWEL
10 MOVEMENTS.

11 (b.5) "PERIOD PRODUCTS" MEANS CONSUMER PRODUCTS USED TO
12 MANAGE MENSTRUATION.

13 (2) The following are exempt from taxation under part 1 of this
14 article 26:

15 (k) All sales of nonprescription drugs or materials when furnished
16 by a practitioner as part of professional services provided to a patient; ~~and~~

17 (l) All sales of corrective eyeglasses, contact lenses, or hearing
18 aids; AND

19 (m) (I) ALL SALES OF PERIOD PRODUCTS PURCHASED ON AND
20 AFTER JANUARY 1, 2023.

21 (II) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
22 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
23 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
24 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND
25 DECLARES THAT:

26 (A) THE GENERAL LEGISLATIVE PURPOSE OF THE EXEMPTION

1 ALLOWED BY THIS SUBSECTION (2)(m) IS TO PROVIDE TAX RELIEF FOR
2 CERTAIN INDIVIDUALS;

3 (B) THE SPECIFIC LEGISLATIVE PURPOSE OF THE EXEMPTION
4 ALLOWED BY THIS SUBSECTION (2)(m) IS TO INCREASE THE AFFORDABILITY
5 OF PERIOD PRODUCTS AND TO REDRESS THE INEQUITABLE BURDEN THAT
6 THE IMPOSITION OF SALES TAX PLACES ON MILLIONS OF WOMEN IN
7 COLORADO FOR WHOM SUCH PRODUCTS ARE ESSENTIAL; AND

8 (C) IN ORDER TO ALLOW THE GENERAL ASSEMBLY AND THE STATE
9 AUDITOR TO MEASURE THE EFFECTIVENESS OF THE EXEMPTION, THE
10 STATE AUDITOR SHALL IDENTIFY AVAILABLE DATA SOURCES AND
11 ESTIMATE THE SAVINGS THAT THE EXEMPTION PROVIDES TO TAXPAYERS
12 IN COLORADO FOR WHOM PERIOD PRODUCTS ARE ESSENTIAL DURING THE
13 STATE AUDITOR'S EVALUATION OF THE EXEMPTION PURSUANT TO SECTION
14 39-21-305.

15 (III) NOTWITHSTANDING SECTION 39-21-304 (4), THE EXEMPTION
16 IN THIS SUBSECTION (2)(m) CONTINUES INDEFINITELY.

17 (n) (I) ALL SALES OF INCONTINENCE PRODUCTS AND DIAPERS
18 PURCHASED ON AND AFTER JANUARY 1, 2023.

19 (II) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
20 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
21 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
22 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND
23 DECLARES THAT:

24 (A) THE GENERAL LEGISLATIVE PURPOSE OF THE EXEMPTION
25 ALLOWED BY THIS SUBSECTION (2)(n) IS TO PROVIDE TAX RELIEF FOR
26 CERTAIN INDIVIDUALS;

27 (B) THE SPECIFIC LEGISLATIVE PURPOSE OF THE EXEMPTION

1 ALLOWED BY THIS SUBSECTION (2)(n) IS TO INCREASE THE AFFORDABILITY
2 OF INCONTINENCE PRODUCTS AND DIAPERS AND TO REDRESS THE
3 INEQUITABLE BURDEN THAT THE IMPOSITION OF SALES TAX PLACES ON
4 MILLIONS OF PARENTS, INDIVIDUALS CARING FOR INFANTS AND YOUNG
5 CHILDREN, AND OTHER USERS OF INCONTINENCE PRODUCTS IN COLORADO
6 FOR WHOM SUCH PRODUCTS ARE ESSENTIAL; AND

7 (C) IN ORDER TO ALLOW THE GENERAL ASSEMBLY AND THE STATE
8 AUDITOR TO MEASURE THE EFFECTIVENESS OF THE CREDIT, THE STATE
9 AUDITOR SHALL IDENTIFY AVAILABLE DATA SOURCES AND ESTIMATE THE
10 SAVINGS THE EXEMPTION PROVIDES TO TAXPAYERS IN COLORADO FOR
11 WHOM INCONTINENCE PRODUCTS AND DIAPERS ARE ESSENTIAL DURING
12 THE STATE AUDITOR'S EVALUATION OF THE EXEMPTION PURSUANT TO
13 SECTION 39-21-305.

14 (III) NOTWITHSTANDING SECTION 39-21-304 (4), THE EXEMPTION
15 IN THIS SUBSECTION (2)(n) CONTINUES INDEFINITELY.

16 **SECTION 2.** In Colorado Revised Statutes, 29-2-105, add
17 (1)(d)(I)(Q) and (1)(d)(I)(R) as follows:

18 **29-2-105. Contents of sales tax ordinances and proposals.**

19 (1) The sales tax ordinance or proposal of any incorporated town, city,
20 or county adopted pursuant to this article 2 shall be imposed on the sale
21 of tangible personal property at retail or the furnishing of services, as
22 provided in subsection (1)(d) of this section. Any countywide or
23 incorporated town or city sales tax ordinance or proposal shall include the
24 following provisions:

25 (d) (I) A provision that the sale of tangible personal property and
26 services taxable pursuant to this article 2 shall be the same as the sale of
27 tangible personal property and services taxable pursuant to section

1 39-26-104, except as otherwise provided in this subsection (1)(d). The
2 sale of tangible personal property and services taxable pursuant to this
3 article 2 shall be subject to the same sales tax exemptions as those
4 specified in part 7 of article 26 of title 39; except that the sale of the
5 following may be exempted from a town, city, or county sales tax only by
6 the express inclusion of the exemption either at the time of adoption of
7 the initial sales tax ordinance or resolution or by amendment thereto:

8 (Q) THE EXEMPTION FOR SALES OF PERIOD PRODUCTS AS SPECIFIED
9 IN SECTION 39-26-717 (2)(m).

10 (R) THE EXEMPTION FOR SALES OF INCONTINENCE PRODUCTS AND
11 DIAPERS AS SPECIFIED IN SECTION 39-26-717 (2)(n).

12 **SECTION 3. Act subject to petition - effective date.** This act
13 takes effect at 12:01 a.m. on the day following the expiration of the
14 ninety-day period after final adjournment of the general assembly; except
15 that, if a referendum petition is filed pursuant to section 1 (3) of article V
16 of the state constitution against this act or an item, section, or part of this
17 act within such period, then the act, item, section, or part will not take
18 effect unless approved by the people at the general election to be held in
19 November 2022 and, in such case, will take effect on the date of the
20 official declaration of the vote thereon by the governor.