

**First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 11-0417.01 Esther van Mourik

SENATE BILL 11-056

SENATE SPONSORSHIP

Lundberg, Lambert, King K., Kopp, Renfroe

HOUSE SPONSORSHIP

Balmer, Holbert, Joshi, Scott

Senate Committees
State, Veterans & Military Affairs

House Committees

A BILL FOR AN ACT

101 **CONCERNING A USE TAX EXEMPTION FOR PURCHASES OF TANGIBLE**
102 **PERSONAL PROPERTY MADE BY COLORADO PURCHASERS FROM**
103 **OUT-OF-STATE RETAILERS THAT DO NOT COLLECT COLORADO**
104 **SALES TAX.**

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://www.leg.state.co.us/billsummaries>.)

The bill exempts from use tax the storage, use, or consumption of any tangible personal property purchased by Colorado purchasers from an

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

out-of-state retailer that does not collect Colorado sales tax.

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

2 **SECTION 1.** 39-26-713 (2), Colorado Revised Statutes, is
3 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

4 **39-26-713. Tangible personal property.** (2) The following shall
5 be exempt from taxation under the provisions of part 2 of this article:

6 (k) THE STORAGE, USE, OR CONSUMPTION OF ANY TANGIBLE
7 PERSONAL PROPERTY PURCHASED BY COLORADO PURCHASERS FROM AN
8 OUT-OF-STATE RETAILER THAT DOES NOT COLLECT COLORADO SALES TAX
9 BECAUSE THAT RETAILER IS NOT DOING BUSINESS IN THIS STATE, AS
10 DEFINED IN SECTION 39-26-102 (3), AND THE RETAILER'S ACTIVITY IN THIS
11 STATE DOES NOT MEET THE MINIMUM CONTACTS REQUIREMENT OF THE
12 DUE PROCESS CLAUSE OR THE SUBSTANTIAL NEXUS REQUIREMENT OF THE
13 COMMERCE CLAUSE AS DISCUSSED BY THE UNITED STATES SUPREME
14 COURT IN *QUILL CORP. v. NORTH DAKOTA*, 504 U.S. 298 (1992).

15 **SECTION 2. Act subject to petition - effective date -**
16 **applicability.** (1) This act shall take effect at 12:01 a.m. on the day
17 following the expiration of the ninety-day period after final adjournment
18 of the general assembly (August 10, 2011, if adjournment sine die is on
19 May 11, 2011); except that, if a referendum petition is filed pursuant to
20 section 1 (3) of article V of the state constitution against this act or an
21 item, section, or part of this act within such period, then the act, item,
22 section, or part shall not take effect unless approved by the people at the
23 general election to be held in November 2012 and shall take effect on the
24 date of the official declaration of the vote thereon by the governor.

1 (2) The provisions of this act shall apply to purchases of tangible
2 personal property made on or after the applicable effective date of this
3 act.