

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 10-0735.01 Esther van Mourik

HOUSE BILL 10-1189

HOUSE SPONSORSHIP

Pommer,

SENATE SPONSORSHIP

Heath,

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE ELIMINATION OF THE STATE SALES AND USE TAX**
102 **EXEMPTION FOR DIRECT MAIL ADVERTISING MATERIALS, AND**
103 **MAKING AN APPROPRIATION THEREFOR.**

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>.)

Commencing March 1, 2010, the bill eliminates the state sales and use tax exemption for direct mail advertising materials that are distributed in Colorado by any person engaged in the business of providing cooperative direct mail advertising. The bill allows a local government

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.*

or political subdivision of the state to continue to exempt such direct mail advertising materials from local sales or use tax.

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

2 **SECTION 1.** 39-26-102 (15), Colorado Revised Statutes, is
3 amended to read:

4 **39-26-102. Definitions.** As used in this article, unless the context
5 otherwise requires:

6 (15) (a) "Tangible personal property" means corporeal personal
7 property. The term shall not be construed to include newspapers, as
8 legally defined by section 24-70-102, C.R.S., preprinted newspaper
9 supplements ~~which~~ THAT become attached to or inserted in and
10 distributed with such newspapers, or direct mail advertising materials
11 ~~which~~ THAT are distributed in Colorado by any person engaged solely and
12 exclusively in the business of providing cooperative direct mail
13 advertising; EXCEPT THAT, COMMENCING MARCH 1, 2010, FOR PURPOSES
14 OF THE STATE SALES OR USE TAX, "TANGIBLE PERSONAL PROPERTY" SHALL
15 INCLUDE DIRECT MAIL ADVERTISING MATERIALS THAT ARE DISTRIBUTED
16 IN COLORADO BY ANY PERSON ENGAGED SOLELY AND EXCLUSIVELY IN
17 THE BUSINESS OF PROVIDING COOPERATIVE DIRECT MAIL ADVERTISING.

18 (b) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
19 CONTRARY, ON OR AFTER MARCH 1, 2010, FOR ANY LOCAL GOVERNMENT
20 OR POLITICAL SUBDIVISION OF THE STATE THAT LEVIES A SALES OR USE
21 TAX BASED ON THE SALES OR USE TAX LEVIED BY THE STATE PURSUANT TO
22 THIS ARTICLE, THE SALE OR STORAGE, USE, OR CONSUMPTION OF DIRECT
23 MAIL ADVERTISING MATERIALS THAT ARE DISTRIBUTED IN COLORADO BY
24 ANY PERSON ENGAGED SOLELY AND EXCLUSIVELY IN THE BUSINESS OF
25 PROVIDING COOPERATIVE DIRECT MAIL ADVERTISING SHALL BE EXEMPT

1 FROM THE SALES OR USE TAX OF SUCH LOCAL GOVERNMENT OR POLITICAL
2 SUBDIVISION, UNLESS THE LOCAL GOVERNMENT OR POLITICAL
3 SUBDIVISION EXPRESSLY SUBJECTS SUCH SALE, STORAGE, USE, OR
4 CONSUMPTION OF SUCH DIRECT MAIL ADVERTISING MATERIALS TO ITS
5 SALES OR USE TAX FOR THE APPLICABLE PERIOD AT THE TIME OF ADOPTION
6 OF ITS INITIAL SALES OR USE TAX ORDINANCE OR RESOLUTION OR
7 SUBSEQUENT AMENDMENT THERETO.

8 **SECTION 2. Appropriation.** In addition to any other
9 appropriation, there is hereby appropriated, out of any moneys in the
10 general fund not otherwise appropriated, to the department of revenue, for
11 allocation to the taxation business group, taxation and compliance
12 division, for the fiscal year beginning July 1, 2009, the sum of ninety-four
13 thousand three hundred twenty-two dollars (\$94,322) and 0.9 FTE, or so
14 much thereof as may be necessary, for the implementation of this act.

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