

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0763.01 Ed DeCecco x4216

SENATE BILL 14-122

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SENATE SPONSORSHIP

Hill,

HOUSE SPONSORSHIP

(None),

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Senate Committees

Health & Human Services

Finance

House Committees

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A BILL FOR AN ACT

101 CONCERNING THE CREATION OF A CREDIT FOR TOBACCO PRODUCTS  
102 THAT A DISTRIBUTOR SELLS TO AN OUT-OF-STATE CONSUMER.

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/bills summaries>.)*

The bill permits a distributor to claim a credit for taxes paid on tobacco products that are shipped or transported by the distributor to a consumer outside of the state.

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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.*

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

2 **SECTION 1. Legislative declaration.** The general assembly  
3 finds and declares that the goal of the tax expenditure in this act is to  
4 update our laws for the twenty-first century and level the playing field  
5 between large retailers and small businesses by equalizing tax credits  
6 currently available only to large retailers.

7 **SECTION 2.** In Colorado Revised Statutes, 39-28.5-107, **amend**  
8 (1) as follows:

9 **39-28.5-107. When credit may be obtained for tax paid.**

10 (1) Where tobacco products, upon which the tax imposed by this article  
11 has been reported and paid, ~~are shipped or transported by the distributor~~  
12 ~~to retailers without the state to be sold by those retailers or are returned~~  
13 ~~to the manufacturer by the distributor or destroyed by the distributor,~~  
14 credit of such tax may be made to the distributor in accordance with  
15 regulations prescribed by the department IF THE PRODUCTS ARE:

16 (a) SHIPPED OR TRANSPORTED BY THE DISTRIBUTOR TO A  
17 CONSUMER OUTSIDE OF THE STATE;

18 (b) SHIPPED OR TRANSPORTED BY THE DISTRIBUTOR TO RETAILERS  
19 OUTSIDE OF THE STATE TO BE SOLD BY THOSE RETAILERS;

20 (c) RETURNED TO THE MANUFACTURER BY THE DISTRIBUTOR; OR

21 (d) DESTROYED BY THE DISTRIBUTOR.

22 **SECTION 3. Act subject to petition - effective date -**

23 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
24 the expiration of the ninety-day period after final adjournment of the  
25 general assembly (August 6, 2014, if adjournment sine die is on May 7,  
26 2014); except that, if a referendum petition is filed pursuant to section 1  
27 (3) of article V of the state constitution against this act or an item, section,

1 or part of this act within such period, then the act, item, section, or part  
2 will not take effect unless approved by the people at the general election  
3 to be held in November 2014 and, in such case, will take effect on the  
4 date of the official declaration of the vote thereon by the governor.

5 (2) This act applies to sales of tobacco products on or after the  
6 applicable effective date of this act.