

**First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO**

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 23-0310.01 Sarah Lozano x3858

**SENATE BILL 23-156**

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**SENATE SPONSORSHIP**

**Kolker and Liston,**

**HOUSE SPONSORSHIP**

**Snyder and Marshall,**

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**Senate Committees**

Finance  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101       **CONCERNING THE CONTINUATION OF THE ISSUANCE OF CERTAIN TAX**  
102               **INFORMATION TO A TAXPAYER BY THE DEPARTMENT OF**  
103               **REVENUE, AND, IN CONNECTION THEREWITH, IMPLEMENTING**  
104               **THE RECOMMENDATIONS CONTAINED IN THE 2022 SUNSET**  
105               **REPORT BY THE DEPARTMENT OF REGULATORY AGENCIES FOR**  
106               **THE ISSUANCE OF PRIVATE LETTER RULINGS AND INFORMATION**  
107               **LETTERS BY THE DEPARTMENT OF REVENUE AND MAKING AN**  
108               **APPROPRIATION.**

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**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*

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.*

SENATE  
Amended 2nd Reading  
March 10, 2023

[http://leg.colorado.gov/.](http://leg.colorado.gov/))

**Sunset Process - Senate Finance Committee.** The bill implements the recommendations of the department of regulatory agencies, as contained in the department's sunset review of the issuance of private letter rulings (rulings) and information letters (letters) by the department of revenue, as follows:

- Continues the issuance of rulings and letters by the department of revenue and removes the issuance of rulings and letters from the sunset review process;
- Allows the department of revenue to extend the ninety-day deadline to issue a ruling if the taxpayer agrees to the extension; and
- Allows the department of revenue to issue letters and rulings for any issue related to a tax administered by the department of revenue.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-34-104, **repeal**  
3 (24)(a)(III) as follows:

4 **24-34-104. General assembly review of regulatory agencies**  
5 **and functions for repeal, continuation, or reestablishment - legislative**  
6 **declaration - repeal.** (24) (a) The following agencies, functions, or both,  
7 are scheduled for repeal on September 1, 2023:

8 (III) ~~The issuance of information letters and private letter rulings~~  
9 ~~by the executive director of the department of revenue in accordance with~~  
10 ~~section 24-35-103.5;~~

11 **SECTION 2.** In Colorado Revised Statutes, 24-35-103.5, **amend**  
12 (1) and (3); and **repeal** (7) as follows:

13 **24-35-103.5. Private letter rulings - information letters - fees**  
14 **- creation of fund - definitions.** (1) ~~For purposes of AS USED IN~~ this  
15 section, unless the context otherwise requires:

16 (a) "Information letter" means a nonbinding statement issued by

1 the department of revenue to a taxpayer that provides general information  
2 regarding any tax OR FEE administered by the department pursuant to title  
3 29 or 39, C.R.S., SECTION 39-21-102 that is made in response to a written  
4 request from a taxpayer for such information.

5 (b) "Private letter ruling" means a written determination issued by  
6 the executive director of the department of revenue, or the executive  
7 director's designee, to a taxpayer on the tax consequences of a proposed  
8 or completed transaction under any tax OR FEE administered by the  
9 department pursuant to title 29 or 39, C.R.S., SECTION 39-21-102 that is  
10 made in response to a written request from a taxpayer for such a ruling.

11 (3) (a) EXCEPT AS SET FORTH IN SUBSECTION (3)(b) OF THIS  
12 SECTION, the executive director of the department of revenue shall issue  
13 private letter rulings within ninety days ~~of~~ AFTER the receipt of a written  
14 request by a taxpayer, unless the EXECUTIVE DIRECTOR DECLINES THE  
15 request. ~~is declined.~~ In the event THE EXECUTIVE DIRECTOR DECLINES a  
16 request for a private letter ruling, ~~is declined,~~ the executive director shall  
17 notify the taxpayer in writing of such declination no later than thirty days  
18 after the date the request was submitted to the department.

19 (b) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE  
20 MAY EXTEND THE NINETY-DAY PERIOD DESCRIBED IN SUBSECTION (3)(a)  
21 OF THIS SECTION UPON THE APPROVAL OF THE TAXPAYER.

22 (7) ~~This section is repealed, effective September 1, 2023. Prior to~~  
23 ~~such repeal, the information letter and private letter ruling function of the~~  
24 ~~executive director of the department of revenue shall be reviewed as~~  
25 ~~provided for in section 24-34-104. The general assembly shall not~~  
26 ~~continue to authorize the department of revenue to retain full-time~~  
27 ~~equivalent employee authorization to issue information letters and private~~

1 ~~letter rulings after this section is repealed.~~

2 **SECTION 3. Appropriation.** For the 2023-24 state fiscal year,  
3 \$53,644 is appropriated to the department of revenue for use by the  
4 taxation business group. This appropriation is from the private letter  
5 ruling fund created in section 24-35-103.5 (6), C.R.S., and is based on an  
6 assumption that the department will require an additional 0.8 FTE. To  
7 implement this act, the department may use this appropriation for  
8 personal services related to taxation services.

9 **SECTION 4. Act subject to petition - effective date.** This act  
10 takes effect at 12:01 a.m. on the day following the expiration of the  
11 ninety-day period after final adjournment of the general assembly; except  
12 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
13 of the state constitution against this act or an item, section, or part of this  
14 act within such period, then the act, item, section, or part will not take  
15 effect unless approved by the people at the general election to be held in  
16 November 2024 and, in such case, will take effect on the date of the  
17 official declaration of the vote thereon by the governor.