

Anticipated Colorado Tax Policy 2024 Session January 2, 2024

The Colorado General Assembly plans to address a number of tax policies in the 2024 legislative session. With regard to property taxes, in addition to the legislation passed in during the Special Session addressing property taxes held in late November, expect to see potential clean up legislation for some of the Special Session laws, new legislation later in the session from the Commission on Property Taxes and potential legislation coming from legislators outside of the Commission process.

In addition to property taxes, two tax policy interim committees met this summer and fall and are moving forward the following tax policy changes as legislation.

Tax Oversight Interim Committee Legislation

BILL	BILL TOPIC	FORMER BILL DESIGNATION
Bill A	Adjusting Certain Tax Expenditures	Bill 1
Bill B	Issuance of Treasurer's Deeds	Bill 2
Bill C	Lodging Property Tax Treatment	Bill 6
Bill D	Tax Policy Analysis by the Legislative Branch	Bill 7
Bill E	Senior Housing Income Tax Credit	Bill 10

- **Bill 1** – Repeals a number of tax credits and exemptions that have been deemed infrequently used.
- **Bill 2** – Removes requirement that county treasurer issue a deed for a property upon the presentation of a certificate of purchase of a tax lien for that property, if certain redemption and timing conditions are satisfied. The bill also establishes a process by which the lawful holder of a certificate of purchase of a tax lien may request a public auction for the sale of a certificate of property purchase. A county treasurer may issue the holder of a certificate of property purchase a treasurer's deed for the relevant property.
- **Bill 6** – For property tax purposes, classifies a short-term rental unit as lodging property if leased for short-term stays for more than 90 days. A property that is rented for 30 days or less may be treated as lodging property or residential property.
- **Bill 7** - Makes changes to the state auditor's procedures for evaluating state tax expenditures, requires the state auditor to annually study and evaluate federal tax law and changes that have significant impact on the state's tax base and prepare a report, and continues the Tax Oversight Interim Committee.
- **Bill 10** - Reinstates a refundable income tax credit for qualifying seniors and requires a report on the use of the senior homestead exemption.

Sales and Use Tax Simplification Interim Committee Legislation

BILL	BILL TOPIC	FORMER BILL DESIGNATION
Bill A	<u>Streamline Filing Certain Tax Returns</u>	Bill 1
Bill B	<u>Hold Harmless for Error in GIS Database Data</u>	Bill 2
Bill C	<u>Simplify Processes Re Certain Loc Gov Taxes</u>	Bill 3
Bill D	<u>Uniform Definition & Reporting for Local Lodging Tax</u>	Bill 4
Bill E	<u>Update Loc Gov Sales & Use Tax Collection</u>	Bill 5

- **Bill 1** - The bill modifies tax filing thresholds for sales and use taxes collected by jurisdictions that do not use the state sales and use tax simplification system (SUTS). It also requires that all home rule jurisdictions use the SUTS system beginning July 1, 2025.
- **Bill 2** - The bill holds harmless any vendor for an underpayment of a tax, charge, or fee liability that results solely from an error or omission in the Colorado Department of Revenue's GIS database.
 - Addresses at both state, local and homerule (homerule has been the issue)
- **Bill 3** - The bill expands the scope of the Sales and Use Tax Simplification Task Force, requires reporting of local lodging taxes and sales and use taxes integrated with building permits, and requires the Department of Revenue to issue a request for information for an electronic lodging tax system.
- **Bill 4** – The bill aligns reporting requirements related to remittance of a local lodging tax to reporting requirements for remittance of other local taxes.
- **Bill 5** – The bill modernizes and revises the state laws that govern state administration of local sales or use taxes
 - Updating statutes around local govt collection
 - Ensures local govt point to correct administrative provisions
 - Notification of tax changes so they can go into the system for retailers
 - Vendor fees – allowing everyone to do it but limiting on how calculated
 - Dispute resolution for state administered taxes – limit relief to those not in SUTS
 - Standardize cost recovery provisions so all local govt pay their share of total cost of collection