

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

PREAMENDED

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

LLS NO. 24-0549.01 Caroline Martin x5902

HOUSE BILL 24-1018

HOUSE SPONSORSHIP

Boesenecker,

SENATE SPONSORSHIP

Marchman,

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A SALES AND USE TAX EXEMPTION FOR COLLEGE**
102 **TEXTBOOKS.**

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://leg.colorado.gov>.)

The bill creates a state sales and use tax exemption commencing on July 1, 2024, for all sales, storage, use, and consumption of college textbooks. The bill allows a county or municipality to choose to adopt the exemption by express inclusion in its sales and use tax ordinance or resolution.

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.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-26-735 as
3 follows:

4 **39-26-735. Sales of college textbooks - definitions - repeal.**

5 (1) (a) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES
6 EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX
7 PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
8 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND
9 DECLARES THAT THE GENERAL PURPOSE OF THE TAX EXPENDITURE
10 CREATED IN SUBSECTION (3) OF THIS SECTION IS TO PROVIDE TAX RELIEF
11 FOR CERTAIN BUSINESSES AND INDIVIDUALS AND THAT THE SPECIFIC
12 PURPOSE OF THE TAX EXPENDITURE IS TO PROVIDE SUCH TAX RELIEF TO
13 STUDENTS ATTENDING COLLEGES AND UNIVERSITIES AND THEREBY
14 DECREASE THE COST OF EDUCATION FOR THOSE STUDENTS.

15 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
16 MEASURE THE EFFECTIVENESS OF THE EXEMPTION ALLOWED BY THIS
17 SECTION BASED ON THE TOTAL AMOUNT OF MONEY THAT COLLEGE
18 STUDENTS SAVE FROM THE STATE SALES AND USE TAX EXEMPTION ON
19 TEXTBOOKS.

20 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
21 REQUIRES:

22 (a) "COLLEGE STUDENT" MEANS A STUDENT WHO ATTENDS
23 CLASSES AT A COLLEGE OR UNIVERSITY THAT IS:

24 (I) A PRIVATE COLLEGE OR UNIVERSITY, A PRIVATE NONPROFIT
25 COLLEGE OR UNIVERSITY, A PRIVATE OCCUPATIONAL SCHOOL, A
26 SEMINARY, OR A STATE COLLEGE OR UNIVERSITY, AS THOSE TERMS ARE
27 DEFINED IN SECTION 23-2-102;

1 (II) AN AREA TECHNICAL COLLEGE, AS DEFINED IN SECTION
2 23-60-103; OR

3 (III) A LOCAL DISTRICT COLLEGE, AS DEFINED IN SECTION
4 23-71-102 (1)(a).

5 (b) "COLLEGE TEXTBOOK" MEANS A NEW OR USED TEXTBOOK,
6 DIGITAL TEXTBOOK OR GUIDE, OR OTHER BOOK THAT IS REQUIRED OR
7 RECOMMENDED TO BE PURCHASED FROM A COLLEGE OR UNIVERSITY CLASS
8 AND THAT IS PURCHASED FROM A CAMPUS BOOKSTORE ASSOCIATED WITH
9 THE COLLEGE OR UNIVERSITY.

10 (3) ON AND AFTER JANUARY 1, 2025, BUT BEFORE JANUARY 1,
11 2030, ALL SALES, STORAGE, AND USES OF COLLEGE TEXTBOOKS THAT ARE
12 PURCHASED BY COLLEGE STUDENTS ARE EXEMPT FROM TAXATION UNDER
13 PARTS 1 AND 2 OF THIS ARTICLE 26.

14 (4) THE DEPARTMENT OF REVENUE, IN CONSULTATION WITH THE
15 STATE AUDITOR, SHALL COLLECT THE INFORMATION NECESSARY FOR THE
16 STATE AUDITOR TO MEASURE THE EFFECTIVENESS OF THE EXEMPTION
17 ALLOWED BY THIS SECTION BASED ON THE TOTAL AMOUNT OF MONEY
18 THAT COLLEGE STUDENTS SAVE FROM THE STATE SALES AND USE TAX
19 EXEMPTION ON TEXTBOOKS.

20 (5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2032.

21 **SECTION 2.** In Colorado Revised Statutes, 29-2-105, **add**
22 (1)(d)(I)(V) as follows:

23 **29-2-105. Contents of sales tax ordinances and proposals.**

24 (1) The sales tax ordinance or proposal of any incorporated town, city,
25 or county adopted pursuant to this article 2 shall be imposed on the sale
26 of tangible personal property at retail or the furnishing of services, as
27 provided in subsection (1)(d) of this section. Any countywide or

1 incorporated town or city sales tax ordinance or proposal shall include the
2 following provisions:

3 (d) (I) A provision that the sale of tangible personal property and
4 services taxable pursuant to this article 2 is the same as the sale of
5 tangible personal property and services taxable pursuant to section
6 39-26-104, except as otherwise provided in this subsection (1)(d). The
7 sale of tangible personal property and services taxable pursuant to this
8 article 2 is subject to the same sales tax exemptions as those specified in
9 part 7 of article 26 of title 39; except that the sale of the following may be
10 exempted from a town, city, or county sales tax only by the express
11 inclusion of the exemption either at the time of adoption of the initial
12 sales tax ordinance or resolution or by amendment thereto:

13 (V) THE EXEMPTION FOR SALES OF COLLEGE TEXTBOOKS SET
14 FORTH IN SECTION 39-26-735.

15 **SECTION 3.** In Colorado Revised Statutes, 29-2-109, **amend** (1)
16 introductory portion as follows:

17 **29-2-109. Contents of use tax ordinances and proposals -**
18 **repeal.** (1) The use tax ordinance, resolution, or proposal of any town,
19 city, or county adopted pursuant to this article 2 shall be imposed only for
20 the privilege of using or consuming in the town, city, or county any
21 construction and building materials purchased at retail or for the privilege
22 of storing, using, or consuming in the town, city, or county any motor and
23 other vehicles, purchased at retail on which registration is required, or
24 both. For the purposes of this subsection (1), the term "construction and
25 building materials" shall not include parts or materials utilized in the
26 fabrication, construction, assembly, or installation of passenger tramways,
27 as defined in section 12-150-103 (5), by any ski area operator, as defined

1 in section 33-44-103 (7), or any person fabricating, constructing,
2 assembling, or installing a passenger tramway for a ski area operator. The
3 ordinance, resolution, or proposal may recite that the use tax shall not
4 apply to the storage and use of wood from salvaged trees killed or
5 infested in Colorado by mountain pine beetles or spruce beetles as
6 exempted from the state use tax pursuant to section 39-26-723. The
7 ordinance, resolution, or proposal may recite that the use tax shall not
8 apply to the storage and use of components used in the production of
9 energy, including but not limited to alternating current electricity, from
10 a renewable energy source, as exempted from the state use tax pursuant
11 to section 39-26-724. The ordinance, resolution, or proposal may recite
12 that the use tax shall not apply to the storage and use of eligible
13 decarbonizing building materials, as exempted from the state use tax
14 pursuant to section 39-26-731. THE ORDINANCE, RESOLUTION, OR
15 PROPOSAL MAY RECITE THAT THE USE TAX SHALL NOT APPLY TO THE
16 STORAGE AND USE OF COLLEGE TEXTBOOKS, AS EXEMPTED FROM THE
17 STATE USE TAX PURSUANT TO SECTION 39-26-735. The ordinance,
18 resolution, or proposal shall recite that the use tax shall not apply:

19 **SECTION 4. Effective date.** This act takes effect January 1,
20 2025.

21 **SECTION 5. Safety clause.** The general assembly finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, or safety or for appropriations for
24 the support and maintenance of the departments of the state and state
25 institutions.