

Second 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. 24-0546.01 Alison Killen x4350

HOUSE BILL 24-1349

HOUSE SPONSORSHIP

Duran and Froelich, Lindstedt

SENATE SPONSORSHIP

Hansen and Buckner,

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A NEW EXCISE TAX RELATED TO FIREARMS, AND, IN**
102 **CONNECTION THEREWITH, CONTINGENT ON VOTER APPROVAL**
103 **OF THE NEW TAX AND THE RETENTION BY THE STATE OF ALL**
104 **REVENUE GENERATED BY THE NEW TAX AT THE 2024 GENERAL**
105 **ELECTION, LEVYING AN EXCISE TAX ON THE NET TAXABLE SALES**
106 **OF GUN DEALERS, GUN MANUFACTURERS, AND AMMUNITION**
107 **VENDORS FROM THE RETAIL SALE IN THIS STATE OF ANY**
108 **FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION,**
109 **REQUIRING THE EXCISE TAX REVENUE TO BE SPENT FOR MENTAL**
110 **HEALTH SERVICES, INCLUDING FOR AT-RISK YOUTH AND**
111 **MILITARY VETERANS, SCHOOL SAFETY AND GUN VIOLENCE**
112 **PREVENTION, AND SUPPORT SERVICES FOR VICTIMS OF**
113 **DOMESTIC VIOLENCE AND OTHER VIOLENT CRIMES, AND**

*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.*

HOUSE
Amended 2nd Reading
April 19, 2024

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>.)

Subject to voter approval at the November 2024 general election, beginning April 1, 2025, the bill levies an excise tax on firearms dealers, firearms manufacturers, and ammunition vendors at the rate of 11% of the gross taxable sales from the retail sale of any firearm, firearm precursor part, or ammunition in this state and allows the state to collect and spend all revenue generated by the tax notwithstanding any limitations in section 20 of article X of the state constitution or any other provision of law. Such retail sales to peace officers and law enforcement agencies are exempt from the excise tax. In addition, such retail sales made during any month are exempt from the excise tax if the total amount of gross taxable sales made by the firearms dealer, firearms manufacturer, or ammunition vendor during the month are less than \$2,000.

Excise tax. Every firearms dealer, firearms manufacturer, and ammunition vendor engaged in the retail sale of firearms, firearm precursor parts, or ammunition in this state is required to file a return and remit the excise tax due on a monthly basis, provide specified information to the department of revenue (department) in the return, and maintain specified records that must be available for inspection by the department.

Allocation of tax revenue. The bill requires all money received and collected in payment of the excise tax to be transmitted for ultimate deposit in the firearms and ammunition excise tax cash fund (fund) created in the bill. All such money and any fund investment earnings must then be transferred as follows:

- The first \$45 million in the first fiscal year and that amount as adjusted for inflation or deflation in each fiscal year thereafter must be transferred to the Colorado crime victim services fund (victim services fund) in the division of criminal justice (division) of the department of public safety for crime victim services grants;
- The next \$5 million in each fiscal year must be transferred to the victims and witnesses assistance and law enforcement fund for local judicial districts;
- The next \$5 million in each fiscal year must be transferred to the victim services fund for mass tragedy response and prevention programs; except that any money that is

1 (b) INCONSISTENT AND FLUCTUATING FUNDING HURTS VICTIM AND
2 SURVIVOR SERVICE PROVIDERS ALIKE. MANY AGENCIES ARE ALREADY
3 WORKING BEYOND THEIR MEANS TO ATTEMPT TO MEET THE GROWING
4 NEEDS OF VICTIMS AND SURVIVORS IN THEIR COMMUNITIES.

5 (c) OVER THE LAST SEVERAL YEARS, AGENCIES HAVE MADE THE
6 DIFFICULT DECISION TO DOWNSIZE DUE TO A LACK OF FUNDING WHILE, AT
7 THE SAME TIME, MORE VICTIMS AND SURVIVORS ARE SEEKING EXISTING
8 SERVICES AND MORE COMPLEX LEVELS OF SERVICES;

9 (d) ACCESS TO A FIREARM MAKES IT FIVE TIMES MORE LIKELY
10 THAT A WOMAN WILL DIE AT THE HANDS OF AN INTIMATE PARTNER. EVERY
11 MONTH, SEVENTY WOMEN NATIONWIDE, ON AVERAGE, ARE SHOT AND
12 KILLED BY AN INTIMATE PARTNER. OVER THIRTEEN PERCENT OF WOMEN
13 IN AMERICA ALIVE TODAY, AROUND TWENTY MILLION WOMEN, HAVE BEEN
14 THREATENED BY AN INTIMATE PARTNER USING A FIREARM. IN THE UNITED
15 STATES, BETWEEN 2014 AND 2019, SIXTY PERCENT OF MASS SHOOTING
16 EVENTS WERE FOUND TO BE DOMESTIC VIOLENCE ATTACKS OR TO HAVE
17 BEEN PERPETRATED BY THOSE WITH A HISTORY OF DOMESTIC VIOLENCE.

18 
19 (e) THE EXCISE TAX ON THE NET TAXABLE SALES OF FIREARMS
20 DEALERS, FIREARMS MANUFACTURERS, AND AMMUNITION VENDORS FOR
21 RETAIL SALES IN THIS STATE IS ANALOGOUS TO LONGSTANDING FEDERAL
22 LAW, WHICH HAS, SINCE 1919, PLACED A TEN TO ELEVEN PERCENT EXCISE
23 TAX ON THE SALE OF FIREARMS AND AMMUNITION BY MANUFACTURERS,
24 PRODUCERS, AND IMPORTERS;

25 (f) REVENUE FROM THIS FEDERAL EXCISE TAX HAS BEEN USED,
26 SINCE PASSAGE OF THE FEDERAL "PITTMAN-ROBERTSON WILDLIFE
27 RESTORATION ACT" IN 1937, TO FUND WILDLIFE CONSERVATION EFFORTS

1 THAT REMEDIATE THE EFFECTS THAT FIREARMS AND AMMUNITION HAVE
2 ON WILDLIFE POPULATIONS THROUGH GAME HUNTING, PARTICULARLY
3 THROUGH GRANTS TO STATE WILDLIFE AGENCIES, AND FOR
4 CONSERVATION-RELATED RESEARCH, TECHNICAL ASSISTANCE, HUNTER
5 SAFETY, AND HUNTER DEVELOPMENT;

6 (g) THIS ACT WILL SIMILARLY PLACE A REASONABLE STATE
7 SURTAX ON FIREARM AND AMMUNITION INDUSTRY MEMBERS THAT PROFIT
8 FROM THE SALE OF FIREARMS AND AMMUNITION IN ORDER TO GENERATE
9 SUSTAINED REVENUE FOR PROGRAMS THAT ARE DESIGNED TO REMEDIATE
10 THE DEVASTATING IMPACTS OF THESE PRODUCTS ON FAMILIES AND
11 COMMUNITIES ACROSS THIS STATE;

12 (h) THE NATIONAL RIFLE ASSOCIATION HAS REFERRED TO THE
13 FEDERAL EXCISE TAX SCHEME AS A "LEGISLATIVE MODEL" AND "FRIEND OF
14 THE HUNTER", AND THE NATIONAL SHOOTING SPORTS
15 FOUNDATION(NSSF) HAS REPEATEDLY EMPHASIZED THE IMPORTANCE OF
16 THIS FEDERAL FIREARM INDUSTRY EXCISE TAX AS WELL. A 2019
17 STATEMENT BY AN NSSF DIRECTOR PUBLISHED ON THE NSSF'S WEBSITE
18 EMPHASIZED THAT "AN OFTEN OVERLOOKED, AND CERTAINLY
19 UNDER-COMMUNICATED BENEFIT, IS THE IMPACT THAT EXCISE TAXES ON
20 FIREARMS AND AMMUNITION HAVE ON CONSERVATION AND WILDLIFE
21 POPULATIONS", AND A SIMILAR 2018 STATEMENT FROM NSSF PRAISED
22 KEY PITTMAN AND WILLIS ROBERTSON, THE LEGISLATORS WHO
23 SPONSORED THE FEDERAL EXCISE TAX, AS "HEROES OF THE MOST
24 SUCCESSFUL CONSERVATION MODEL IN THE WORLD".

25 (i) THIS ACT WILL SIMILARLY PROVIDE DEDICATED REVENUE TO
26 SUSTAIN AND EXPAND EFFECTIVE GUN VIOLENCE PREVENTION, HEALING,
27 AND RECOVERY PROGRAMS FOR FAMILIES AND COMMUNITIES ACROSS

1 COLORADO, PARTICULARLY IN COMMUNITIES MOST DISPROPORTIONATELY
2 IMPACTED BY GUN VIOLENCE;

3 (j) THIS ACT IS CONSISTENT WITH OUR NATION'S LONGSTANDING
4 HISTORICAL TRADITION OF REGULATING COMMERCIAL FIREARM AND
5 AMMUNITION MANUFACTURERS AND SELLERS, INCLUDING THROUGH
6 FEDERAL, STATE, AND LOCAL TAXES ON THIS COMMERCIAL ACTIVITY. AN
7 1883 CALIFORNIA STATUTE, FOR INSTANCE, DIRECTED LOCAL
8 GOVERNMENTS TO PROVIDE FOR PAYMENT OF ALL REVENUE ASSESSED AS
9 A TAX, OR RECEIVED FOR LICENSES, ON THE STORAGE, MANUFACTURE, AND
10 SALE OF GUNPOWDER AND RELATED PRODUCTS IN ORDER TO FUND A
11 "FIREMAN'S CHARITABLE FUND" TO SUPPORT PROFESSIONALS TASKED
12 WITH REMEDIATING THE COLLATERAL IMPACTS OF FIREARM-RELATED
13 COMMERCIAL ACTIVITY ON PUBLIC SAFETY THROUGH FIRE RISK.

14 (k) IN THE HISTORICAL RECORD, OTHER STATES, INCLUDING
15 MISSISSIPPI (1844), NORTH CAROLINA (1857), GEORGIA (1866),
16 ALABAMA (1867), THE THEN-INDEPENDENT KINGDOM OF HAWAII (1870),
17 NEBRASKA (1895), FLORIDA (1898), WYOMING (1899), AND VIRGINIA
18 (1926), HAVE SIMILARLY ENACTED LONGSTANDING COMMERCIAL,
19 OCCUPATIONAL, OR OTHER TAXES ON THOSE SELLING, PURCHASING, OR
20 POSSESSING FIREARMS AND OTHER DANGEROUS WEAPONS;

21 (l) ■■■ THE ■■■ TAX PROPOSED IN THIS ACT MIRRORS THE
22 FEDERAL EXCISE TAX ON FIREARM AND AMMUNITION INDUSTRY
23 PARTICIPANTS AND IS SIMILARLY DEDICATED TO FUNDING PROGRAMS TO
24 REMEDIATE THE DIRECT COSTS TO INDIVIDUALS AND COMMUNITIES
25 RESULTING FROM THE ACCESSIBILITY OF FIREARMS AND AMMUNITION IN
26 THIS STATE.

27 **39-37-103. Definitions.** AS USED IN THIS ARTICLE 37, UNLESS THE

1 CONTEXT OTHERWISE REQUIRES:

2 (1) "AMMUNITION" MEANS AMMUNITION OR CARTRIDGE CASES,
3 PRIMERS, BULLETS, OR PROPELLANT POWDER DESIGNED FOR USE IN ANY
4 FIREARM.

5 (2) "AMMUNITION VENDOR" MEANS ANY PERSON WHO ENGAGES IN
6 ANY RETAIL SALE OF AMMUNITION TO A CONSUMER IN THIS STATE.

7 (3) "DOING BUSINESS IN THIS STATE" MEANS THE SELLING,
8 LEASING, OR DELIVERING IN THIS STATE, OR ANY ACTIVITY IN THIS STATE
9 IN CONNECTION WITH THE SELLING, LEASING, OR DELIVERING IN THIS
10 STATE, OF FIREARMS, FIREARMS PRECURSOR PARTS, OR AMMUNITION BY
11 A RETAIL SALE, FOR USE, STORAGE, DISTRIBUTION, OR CONSUMPTION,
12 WITHIN THIS STATE BY A PERSON WHO:

13 (a) MAINTAINS WITHIN THIS STATE, DIRECTLY OR INDIRECTLY OR
14 BY A SUBSIDIARY, AN OFFICE, DISTRIBUTION FACILITY, SALESROOM,
15 WAREHOUSE, STORAGE PLACE, OR OTHER SIMILAR PLACE OF BUSINESS,
16 INCLUDING THE EMPLOYMENT OF A RESIDENT OF THIS STATE WHO WORKS
17 FROM A HOME OFFICE IN THIS STATE; OR

18 (b) SOLICITS, EITHER BY DIRECT REPRESENTATIVES, INDIRECT
19 REPRESENTATIVES, MANUFACTURERS' AGENTS, BY DISTRIBUTION OF
20 CATALOGUES OR OTHER ADVERTISING, BY USE OF ANY COMMUNICATION
21 MEDIA, OR BY USE OF THE NEWSPAPER, RADIO, OR TELEVISION
22 ADVERTISING MEDIA, OR BY ANY OTHER MEANS WHATSOEVER, BUSINESS
23 FROM PERSONS RESIDING IN THIS STATE AND BY REASON THEREOF
24 RECEIVING ORDERS FROM, OR SELLING OR LEASING TANGIBLE PERSONAL
25 PROPERTY TO, SUCH PERSONS RESIDING IN THIS STATE FOR USE,
26 CONSUMPTION, DISTRIBUTION, AND STORAGE, FOR USE OR CONSUMPTION
27 IN THIS STATE DURING THE FOLLOWING PERIODS:

1 (I) AN ENTIRE CALENDAR YEAR IF, IN THE PREVIOUS CALENDAR
2 YEAR, THE PERSON HAS MADE RETAIL SALES OF FIREARMS, FIREARMS
3 PRECURSOR PARTS, OR AMMUNITION IN THIS STATE EXCEEDING TWENTY
4 THOUSAND DOLLARS; OR

5 (II) ON AND AFTER THE FIRST DAY OF THE MONTH AFTER THE
6 NINETIETH DAY AFTER THE PERSON HAS MADE RETAIL SALES OF FIREARMS,
7 FIREARMS PRECURSOR PARTS, OR AMMUNITION IN THIS STATE IN THE
8 CURRENT CALENDAR YEAR THAT EXCEED TWENTY THOUSAND DOLLARS.

9 (4) "EXCISE TAX" OR "TAX" MEANS THE TAX IMPOSED BY THIS
10 ARTICLE 37.

11 (5) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
12 THE DEPARTMENT OF REVENUE.

13 (6) "FIREARM" OR "GUN" MEANS A FIREARM AS DEFINED IN
14 SECTION 18-12-101 (1)(b.7) AND ANY INSTRUMENT OR DEVICE DESCRIBED
15 IN SECTION 18-1-901 (3)(h), 18-12-401 (1)(a), OR 18-12-506 (2).

16 (7) "FIREARM PRECURSOR PART" OR "GUN PRECURSOR PART"
17 MEANS:

18 (a) AN UNFINISHED FRAME OR RECEIVER AS DEFINED IN SECTION
19 18-12-101 (1)(l);

20 (b) A FIRE CONTROL COMPONENT AS DEFINED IN SECTION
21 18-12-101 (1)(c.3);

22 (c) A DEVICE MARKETED OR SOLD TO THE PUBLIC THAT IS
23 DESIGNED OR ADAPTED TO BE INSERTED INTO, AFFIXED ONTO, OR USED IN
24 CONJUNCTION WITH A FIREARM IF THE DEVICE IS:

25 (I) REASONABLY DESIGNED OR INTENDED TO BE USED TO INCREASE
26 A FIREARM'S RATE OF FIRE, CONCEALABILITY, MAGAZINE CAPACITY, OR
27 DESTRUCTIVE CAPACITY; OR

1 (II) REASONABLY DESIGNED OR INTENDED TO BE USED TO
2 INCREASE A FIREARM'S STABILITY AND HANDLING WHEN THE FIREARM IS
3 REPEATEDLY FIRED; OR

4 (d) ANY MACHINE OR DEVICE THAT IS MARKETED OR SOLD TO THE
5 PUBLIC THAT IS REASONABLY DESIGNED OR INTENDED TO BE USED TO
6 MANUFACTURE OR PRODUCE A FIREARM.

7 (8) "FIREARMS DEALER" OR "GUN DEALER" MEANS ANY PERSON
8 WHO IS A FEDERALLY LICENSED FIREARMS DEALER AS DEFINED IN SECTION
9 18-12-101 (1)(b.4) OR A LICENSED GUN DEALER AS DEFINED IN SECTION
10 18-12-506 (6).

11 (9) "FIREARMS MANUFACTURER" OR "GUN MANUFACTURER"
12 MEANS ANY PERSON WHO IS LICENSED TO MANUFACTURE FIREARMS OR
13 AMMUNITION PURSUANT TO 18 U.S.C. SEC. 921 ET SEQ. AND WHO
14 ENGAGES IN ANY RETAIL SALE OF A FIREARM, FIREARM PRECURSOR PART,
15 OR AMMUNITION TO A CONSUMER IN THIS STATE.

16 (10) "FUND" MEANS THE FIREARMS AND AMMUNITION EXCISE TAX
17 CASH FUND CREATED IN SECTION 39-37-301 (1)(a).

18
19 (11)(a) "LAW ENFORCEMENT AGENCY" MEANS A DEPARTMENT OR
20 AGENCY OF THE STATE OR OF A COUNTY, CITY, CITY AND COUNTY, OR
21 TOWN WITHIN THE STATE THAT EMPLOYS AT LEAST ONE PEACE OFFICER
22 WHO IS AUTHORIZED TO CARRY A FIREARM WHILE ON DUTY.

23 (b) "LAW ENFORCEMENT AGENCY" INCLUDES A FEDERAL LAW
24 ENFORCEMENT AGENCY AND A TRIBAL LAW ENFORCEMENT AGENCY.

25 (12) "NET TAXABLE SALES" MEANS THE AGGREGATE PURCHASE
26 PRICE RECEIVED OR DUE IN MONEY, CREDITS, OR PROPERTY, OR OTHER
27 CONSIDERATION VALUED IN MONEY FROM ALL RETAIL SALES WITHIN THIS

1 STATE, AND EMBRACED WITHIN THE PROVISIONS OF THIS ARTICLE, LESS
2 DEDUCTIONS FOR:

3 (a) AN AMOUNT EQUAL TO THE PURCHASE PRICE OF PROPERTY
4 EXEMPT FROM TAX PURSUANT TO SECTION 39-37-105;

5 (b) AN AMOUNT EQUAL TO THE PURCHASE PRICE OF PROPERTY
6 RETURNED BY THE PURCHASER WHEN THE FULL SALE PRICE THEREOF IS
7 REFUNDED WHETHER IN CASH OR BY CREDIT; AND

8 (c) AN AMOUNT EQUAL TO THE PURCHASE PRICE OF PROPERTY
9 SOLD ON ACCOUNT FOUND TO BE WORTHLESS AND ACTUALLY CHARGED
10 OFF BY THE TAXPAYER FOR INCOME TAX PURPOSES, BUT IF ANY SUCH
11 ACCOUNTS ARE THEREAFTER COLLECTED BY THE TAXPAYER, A TAX SHALL
12 BE PAID UPON THE AMOUNTS COLLECTED.

13 (13) (a) "PEACE OFFICER" MEANS A CERTIFIED PEACE OFFICER
14 DESCRIBED IN SECTION 16-2.5-102.

15 (b) "PEACE OFFICER" INCLUDES A POLICE OFFICER OR CRIMINAL
16 INVESTIGATOR EMPLOYED BY A FEDERAL OR TRIBAL LAW ENFORCEMENT
17 AGENCY AND A QUALIFIED RETIRED LAW ENFORCEMENT OFFICER, AS
18 DEFINED IN 18 U.S.C. SEC. 926C (c).

19 (14) "PERSON" HAS THE SAME MEANING AS SET FORTH IN SECTION
20 39-26-102 (6.3).

21 (15) (a) "PURCHASE PRICE" MEANS THE AGGREGATE
22 CONSIDERATION VALUED IN MONEY PAID OR DELIVERED OR PROMISED TO
23 BE PAID OR DELIVERED BY THE USER OR CONSUMER IN CONSUMMATION OF
24 A SALE, EXCLUSIVE OF:

- 25 (I) THE EXCISE TAX;
- 26 (II) ANY DIRECT TAX IMPOSED BY THE FEDERAL GOVERNMENT;
- 27 (III) ANY SALES OR USE TAX IMPOSED BY THIS STATE OR BY ANY

1 POLITICAL SUBDIVISION THEREOF;

2 (IV) ANY RETAIL DELIVERY FEE AND ENTERPRISE RETAIL
3 DELIVERY FEES IMPOSED OR COLLECTED AS SPECIFIED IN SECTION
4 43-4-218;

5 (V) ANOTHER TAX OR FEE IMPOSED BY A GOVERNMENTAL ENTITY
6 THAT IS COLLECTED AT THE SAME TIME AS THE EXCISE TAX.

7 (b) FOR PURPOSES OF THIS ARTICLE 37, "PURCHASE PRICE"
8 INCLUDES THE FULL PURCHASE PRICE OF THE FIREARM, FIREARM
9 PRECURSOR PART, OR AMMUNITION SOLD AFTER MANUFACTURE OR AFTER
10 HAVING BEEN MADE TO ORDER AND INCLUDES THE FULL PURCHASE PRICE
11 FOR MATERIAL USED AND THE SERVICE PERFORMED IN CONNECTION
12 THEREWITH, AND THE PROFIT THEREON, INCLUDED IN THE PRICE CHARGED
13 TO THE USER OR CONSUMER.

14 (16) "RETAIL SALE" MEANS ALL SALES MADE WITHIN THIS STATE
15 EXCEPT WHOLESALE SALES.

16 (17) "SALE" MEANS THE ACQUISITION FOR ANY CONSIDERATION BY
17 ANY PERSON OF A FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION
18 SUBJECT TO THE EXCISE TAX INCLUDING INSTALLMENT AND CREDIT SALES
19 AND THE EXCHANGE OF SUCH PROPERTY AS WELL AS THE SALE THEREOF
20 FOR MONEY AND EVERY SUCH TRANSACTION, CONDITIONAL OR
21 OTHERWISE, FOR A CONSIDERATION CONSTITUTING A SALE.

22 (18) "VENDOR" MEANS A PERSON DOING BUSINESS IN THIS STATE
23 AS AN AMMUNITION VENDOR, FIREARMS DEALER, OR A FIREARMS
24 MANUFACTURER OR ANY COMBINATION THEREOF.

25 (19) "WHOLESALE" MEANS A PERSON DOING A REGULARLY
26 ORGANIZED WHOLESALE OR JOBBING BUSINESS AND KNOWN TO THE TRADE
27 AS SUCH AND SELLING TO RETAIL MERCHANTS, JOBBERS, DEALERS, OR

1 OTHER WHOLESALERS, FOR THE PURPOSE OF RESALE.

2 (20) (a) "WHOLESALE SALE" MEANS:

3 (I) A SALE BY A WHOLESALER TO A VENDOR OR OTHER
4 WHOLESALER FOR RESALE; OR

5 (II) A SALE TO A PERSON ENGAGED IN THE BUSINESS OF
6 MANUFACTURING, COMPOUNDING, OR FURNISHING FOR SALE, PROFIT, OR
7 USE ANY PROPERTY WHICH ENTERS INTO THE PROCESSING OF OR BECOMES
8 AN INGREDIENT OR COMPONENT PART OF THE PRODUCT WHICH IS
9 MANUFACTURED, COMPOUNDED, OR FURNISHED.

10 (b) "WHOLESALE SALE" DOES NOT INCLUDE A SALE BY A
11 WHOLESALER TO A USER OR CONSUMER NOT FOR RESALE.

12 **39-37-104. Firearms, firearm precursor parts, and**
13 **ammunition - excise tax levied upon gross taxable sales - tax rate.**

14 (1) ON AND AFTER APRIL 1, 2025, THERE IS LEVIED AN EXCISE TAX UPON
15 EVERY VENDOR AT THE RATE OF NINE PERCENT OF THE GROSS TAXABLE
16 SALES FROM THE RETAIL SALE IN THIS STATE OF ANY FIREARM, FIREARM
17 PRECURSOR PART, OR AMMUNITION. EVERY VENDOR SHALL PAY THE TAX
18 LEVIED BY THIS SECTION TO THE EXECUTIVE DIRECTOR IN ACCORDANCE
19 WITH THE PROVISIONS OF THIS PART 1.

20 (2) THE DETERMINATION OF WHETHER A RETAIL SALE OCCURS IN
21 THIS STATE IS GOVERNED BY THE PROVISIONS SET FORTH IN SECTION
22 39-26-104 (3)(a)(I) TO (3)(a)(V) AND THE DEFINITIONS SET FORTH IN
23 SECTION 39-26-104 (3)(d)(I) AND (3)(d)(II).

24 **39-37-105. Exemption.** THE PURCHASE PRICE PAID IN
25 CONSUMMATION OF THE RETAIL SALE OF ANY FIREARM, FIREARM
26 PRECURSOR PART, OR AMMUNITION TO A PEACE OFFICER OR A LAW
27 ENFORCEMENT AGENCY EMPLOYING THAT PEACE OFFICER OR TO AN

1 ACTIVE DUTY MEMBER OF THE ARMED FORCES OF THE UNITED STATES IS
2 EXEMPT FROM TAXATION PURSUANT TO THIS ARTICLE 37.

3 **39-37-106. Administration and enforcement - disputes and**
4 **refunds - rules.** (1) THE EXECUTIVE DIRECTOR SHALL ADMINISTER AND
5 ENFORCE THE TAX LEVIED PURSUANT TO THIS PART 1 IN ACCORDANCE
6 WITH THE PROVISIONS OF ARTICLE 21 OF THIS TITLE 39.

7 (2) THE BURDEN OF PROVING THAT A SALE OF A FIREARM, FIREARM
8 PRECURSOR PART, OR AMMUNITION IS NOT SUBJECT TO OR IS EXEMPT FROM
9 THE EXCISE TAX, OR THAT A VENDOR IS NOT DOING BUSINESS IN THIS
10 STATE, AS DEFINED IN SECTION 39-37-103 (3), OR IS OTHERWISE NOT
11 REQUIRED TO MAKE A RETURN OR TO REMIT TAX PURSUANT TO THIS
12 ARTICLE 37, SHALL BE ON THE VENDOR UNDER SUCH REASONABLE
13 REQUIREMENTS OF PROOF AS THE EXECUTIVE DIRECTOR MAY PRESCRIBE
14 BY RULE.

15 (3) (a) THE EXECUTIVE DIRECTOR SHALL MAKE A REFUND OR
16 ALLOW A CREDIT TO ANY VENDOR THAT ESTABLISHES THAT THE VENDOR
17 HAS OVERPAID THE TAX DUE PURSUANT TO THIS ARTICLE 37. NO SUCH
18 REFUND SHALL BE MADE OR CREDIT ALLOWED IN AN AMOUNT GREATER
19 THAN THE TAX PAID.

20 (b) THE VENDOR MUST FILE ANY CLAIM FOR REFUND OR CREDIT
21 UNDER THIS SECTION WITHIN THREE YEARS AFTER THE DUE DATE OF THE
22 RETURN SHOWING THE OVERPAYMENT. THE CLAIM MUST BE MADE ON
23 FORMS PRESCRIBED BY THE EXECUTIVE DIRECTOR AND MUST INCLUDE
24 SUCH PERTINENT DATA, INFORMATION, OR DOCUMENTATION AS THE
25 EXECUTIVE DIRECTOR MAY REQUIRE.

26 (c) UPON RECEIPT OF THE APPLICATION AND PROOF OF THE
27 MATTERS CONTAINED THEREIN, THE EXECUTIVE DIRECTOR SHALL GIVE

1 NOTICE TO THE VENDOR IN WRITING OF THE EXECUTIVE DIRECTOR'S
2 DECISION. AGGRIEVED VENDORS MAY PETITION THE EXECUTIVE DIRECTOR
3 FOR A HEARING ON THE CLAIM IN THE MANNER PROVIDED IN SECTION
4 39-21-104.

5 (4) THE EXECUTIVE DIRECTOR SHALL PROMULGATE RULES FOR THE
6 IMPLEMENTATION OF THIS PART 1.

7 **39-37-107. Registration required.** (1) (a) IT IS UNLAWFUL FOR
8 ANY PERSON TO ENGAGE IN THE BUSINESS OF AN AMMUNITION VENDOR, A
9 FIREARMS DEALER, OR A FIREARMS MANUFACTURER IN THIS STATE
10 WITHOUT FIRST HAVING REGISTERED AS A VENDOR WITH THE EXECUTIVE
11 DIRECTOR. A REGISTRATION APPLICATION PROPERLY FILED ON A FORM
12 PRESCRIBED BY THE EXECUTIVE DIRECTOR AND ACCEPTED BY THE
13 EXECUTIVE DIRECTOR IS VALID UNTIL DECEMBER 31 OF THE NEXT
14 ODD-NUMBERED YEAR FOLLOWING THE DATE OF REGISTRATION, UNLESS
15 SOONER CANCELLED OR REVOKED. A PERSON REGISTERING PURSUANT TO
16 THIS SUBSECTION (1) SHALL DISCLOSE THE NAME OF THE VENDOR AND THE
17 VENDOR'S BUSINESS LOCATION, INCLUDING THE STREET NUMBER OF THE
18 VENDOR'S BUSINESS LOCATION, AND ANY OTHER FACTS THE EXECUTIVE
19 DIRECTOR MAY REQUIRE.

20 (b) IT IS THE DUTY OF EVERY VENDOR ON OR BEFORE JANUARY 1
21 OF EACH EVEN-NUMBERED YEAR TO RENEW THE VENDOR'S REGISTRATION
22 IF THE VENDOR REMAINS IN RETAIL BUSINESS OR LIABLE TO ACCOUNT FOR
23 THE TAX LEVIED PURSUANT TO THIS ARTICLE 37.

24 (c) IF A VENDOR MAKES RETAIL SALES AT TWO OR MORE SEPARATE
25 PLACES OF BUSINESS IN THIS STATE, A SEPARATE REGISTRATION FOR EACH
26 PLACE OF BUSINESS IS REQUIRED.

27 (2) THE EXECUTIVE DIRECTOR, AFTER REASONABLE NOTICE AND

1 A HEARING, MAY REVOKE THE REGISTRATION OF ANY PERSON FOUND BY
2 THE EXECUTIVE DIRECTOR TO HAVE VIOLATED ANY PROVISION OF THIS
3 ARTICLE 37. ANY FINDING AND ORDER OF THE EXECUTIVE DIRECTOR
4 REVOKING THE REGISTRATION OF ANY VENDOR IS SUBJECT TO REVIEW BY
5 THE DISTRICT COURT OF THE DISTRICT WHERE THE BUSINESS OF THE
6 VENDOR IS CONDUCTED, UPON APPLICATION OF THE VENDOR. THE
7 PROCEDURE FOR REVIEW MUST BE, AS NEARLY AS POSSIBLE, THE SAME AS
8 PROVIDED FOR THE REVIEW OF FINDINGS AS PROVIDED BY PROCEEDINGS IN
9 THE NATURE OF CERTIORARI.

10 (3) (a) ANY VENDOR WHO MAKES RETAIL SALES SUBJECT TO THE
11 EXCISE TAX WITHOUT REGISTERING COMMITS A PETTY OFFENSE AND SHALL
12 BE PUNISHED ACCORDING TO SECTION 18-1.3-503.

13 (b) ANY VENDOR WHO MAKES RETAIL SALES SUBJECT TO THE
14 EXCISE TAX WITHOUT REGISTERING MAY ALSO BE SUBJECT TO A CIVIL
15 PENALTY OF FIFTY DOLLARS PER DAY UP TO A MAXIMUM PENALTY OF ONE
16 THOUSAND DOLLARS. THE EXECUTIVE DIRECTOR SHALL ASSESS THE
17 PENALTY IMPOSED BY THIS SUBSECTION (3)(b) IN THE SAME MANNER AS
18 THE TAXES, PENALTIES, AND INTEREST IMPOSED BY THIS ARTICLE 37. THE
19 EXECUTIVE DIRECTOR MAY WAIVE OR REDUCE THE PENALTY ASSESSED
20 PURSUANT TO THIS SUBSECTION (3)(b) IF THE VENDOR'S FAILURE TO
21 REGISTER IS DUE TO REASONABLE CAUSE AND NOT WILLFUL NEGLIGENCE OR
22 INTENT TO DEFRAUD.

23 **39-37-108. Books and records to be preserved.** (1) EVERY
24 VENDOR SHALL KEEP COMPLETE AND ACCURATE RECORDS NECESSARY FOR
25 THE DETERMINATION OF THE CORRECT TAX LIABILITY, INCLUDING
26 ITEMIZED INVOICES OF ALL RETAIL SALES OF ANY FIREARMS, FIREARM
27 PRECURSOR PARTS, OR AMMUNITION IN THIS STATE.

1 (2) A [REDACTED] VENDOR SHALL PROVIDE A COPY OF THE RECORDS
2 REQUIRED TO BE KEPT PURSUANT TO SUBSECTION (1) OF THIS SECTION,
3 AND ANY OTHER RECORDS DEEMED NECESSARY BY THE EXECUTIVE
4 DIRECTOR FOR THE DETERMINATION OF THE CORRECT TAX LIABILITY TO
5 THE EXECUTIVE DIRECTOR, IF SO REQUESTED. THE EXECUTIVE DIRECTOR
6 MAY ESTABLISH THE ACCEPTABLE FORM OF SUCH RECORDS.

7 **39-37-109. Returns and remittance of tax - civil penalty.**

8 (1) EVERY [REDACTED] VENDOR SHALL FILE A RETURN WITH THE EXECUTIVE
9 DIRECTOR EACH MONTH. THE RETURN, WHICH MUST BE UPON FORMS
10 PRESCRIBED AND FURNISHED BY THE EXECUTIVE DIRECTOR, MUST
11 CONTAIN THE NET TAXABLE SALES FROM THE RETAIL SALE IN THIS STATE
12 OF ANY FIREARM, FIREARM PRECURSOR PART, OR AMMUNITION BY THE [REDACTED]
13 VENDOR DURING THE PRECEDING MONTH, THE TAX DUE THEREON, AND
14 ANY OTHER INFORMATION THAT THE EXECUTIVE DIRECTOR MAY
15 REASONABLY REQUIRE.

16 (2) EVERY [REDACTED] VENDOR SHALL FILE THE RETURN REQUIRED BY
17 SUBSECTION (1) OF THIS SECTION WITH THE EXECUTIVE DIRECTOR BY THE
18 TWENTIETH DAY OF THE MONTH FOLLOWING THE MONTH REPORTED AND
19 WITH THE REPORT SHALL REMIT THE AMOUNT OF TAX DUE. THE VENDOR
20 SHALL FILE THE RETURN REQUIRED BY SUBSECTION (1) OF THIS SECTION
21 ELECTRONICALLY AND REMIT THE AMOUNT OF TAX DUE BY ELECTRONIC
22 FUNDS TRANSFER.

23 (3) THE EXECUTIVE DIRECTOR MAY EXTEND THE TIME FOR FILING
24 A RETURN AND REMITTING THE TAX DUE FOR GOOD CAUSE SHOWN OR
25 UNDER SUCH REASONABLE RULES AS THE EXECUTIVE DIRECTOR MAY
26 PROMULGATE.

27 (4) IF A PERSON NEGLECTS OR REFUSES TO FILE A TIMELY RETURN

1 OR PAYMENT OF THE TAX, TO PAY OR CORRECTLY ACCOUNT FOR ANY TAX
2 AS REQUIRED BY THIS ARTICLE 37, OR TO KEEP COMPLETE AND ACCURATE
3 RECORDS, AS REQUIRED BY SECTION 39-37-109, THE EXECUTIVE DIRECTOR
4 SHALL MAKE AN ESTIMATE, BASED UPON THE INFORMATION AVAILABLE,
5 OF THE AMOUNT OF TAX DUE OR NOT ACCOUNTED FOR OR INCORRECTLY
6 ACCOUNTED FOR ON A RETURN FOR THE PERIOD FOR WHICH THE VENDOR
7 IS DELINQUENT. THE EXECUTIVE DIRECTOR SHALL ADD TO THE ESTIMATED
8 AMOUNT OF TAX DUE OR NOT ACCOUNTED FOR OR INCORRECTLY
9 ACCOUNTED FOR INTEREST, IF APPLICABLE PURSUANT TO SECTION
10 39-21-110.5, AND A PENALTY EQUAL TO THE GREATER OF:

11 (a) FIFTEEN DOLLARS; OR

12 (b) TEN PERCENT OF SUCH UNPAID, UNACCOUNTED, OR
13 INCORRECTLY ACCOUNTED FOR AMOUNT OF TAX, PLUS ONE-HALF PERCENT
14 PER MONTH FROM THE DATE WHEN DUE, NOT TO EXCEED EIGHTEEN
15 PERCENT IN THE AGGREGATE.

16 **39-37-110. Distribution of tax collected.** (1) EACH MONTH, THE
17 STATE TREASURER SHALL CREDIT THE MONEY COLLECTED FOR PAYMENT
18 OF THE TAX LEVIED PURSUANT TO THIS PART 1 TO THE OLD AGE PENSION
19 FUND CREATED IN SECTION 1 OF ARTICLE XXIV OF THE STATE
20 CONSTITUTION IN ACCORDANCE WITH SECTION 2 (a) AND (f) OF ARTICLE
21 XXIV OF THE STATE CONSTITUTION AND SHALL FURTHER TRANSFER AN
22 AMOUNT EQUAL TO THIS AMOUNT FROM THE OLD AGE PENSION FUND TO
23 THE GENERAL FUND IN ACCORDANCE WITH SECTION 7 (c) OF ARTICLE
24 XXIV OF THE STATE CONSTITUTION.

25 (2) EACH MONTH, THE STATE TREASURER SHALL TRANSFER AN
26 AMOUNT EQUAL TO THE AMOUNT OF MONEY COLLECTED FOR PAYMENT OF
27 THE TAX LEVIED PURSUANT TO THIS PART 1 FROM THE GENERAL FUND TO

1 THE FUND FOR DISTRIBUTION IN ACCORDANCE WITH SECTION 39-37-301
2 (2).

3 **39-37-111. Prohibited acts - penalties.** IT IS UNLAWFUL FOR ANY
4 VENDOR TO WILLFULLY MAKE ANY FALSE OR FRAUDULENT RETURN OR
5 FALSE STATEMENT ON ANY RETURN OR TO WILLFULLY EVADE THE
6 PAYMENT OF THE TAX, OR ANY PART OF THE TAX, LEVIED PURSUANT TO
7 THIS PART 1. ANY VENDOR WHO WILLFULLY VIOLATES ANY PROVISION
8 OF THIS PART 1 SHALL BE PUNISHED AS PROVIDED IN SECTION 39-21-118.

9 **39-37-112. Revenue and spending limitations.**
10 NOTWITHSTANDING ANY LIMITATIONS ON REVENUE, SPENDING, OR
11 APPROPRIATIONS CONTAINED IN SECTION 20 OF ARTICLE X OF THE STATE
12 CONSTITUTION OR ANY OTHER PROVISION OF LAW, ALL REVENUE
13 GENERATED BY THE EXCISE TAX LEVIED PURSUANT TO THIS PART 1 AS
14 APPROVED BY THE VOTERS AT THE STATEWIDE ELECTION IN NOVEMBER
15 2024, MAY BE COLLECTED AND SPENT AS A VOTER-APPROVED REVENUE
16 CHANGE AND SHALL NOT REQUIRE VOTER APPROVAL SUBSEQUENT TO THE
17 VOTER APPROVAL REQUIRED PURSUANT TO PART 2 OF THIS ARTICLE 37.

18 PART 2

19 SUBMISSION OF BALLOT ISSUE - FIREARMS AND
20 AMMUNITION EXCISE TAX

21 **39-37-201. Submission of ballot issue - excise tax on firearms**
22 **and ammunition - definition.** (1) AS USED IN THIS SECTION, "BALLOT
23 ISSUE" MEANS THE QUESTION SUBMITTED TO VOTERS PURSUANT TO
24 SUBSECTION (2) OF THIS SECTION.

25 (2) AT THE STATEWIDE ELECTION HELD IN NOVEMBER 2024, THE
26 SECRETARY OF STATE SHALL SUBMIT TO THE REGISTERED ELECTORS OF
27 THE STATE FOR THEIR APPROVAL OR REJECTION THE FOLLOWING BALLOT

1 ISSUE: "SHALL STATE TAXES BE INCREASED BY \$54,000,000 ANNUALLY TO
2 FUND MENTAL HEALTH SERVICES, INCLUDING FOR AT-RISK YOUTH AND
3 MILITARY VETERANS, SCHOOL SAFETY AND GUN VIOLENCE PREVENTION,
4 AND SUPPORT SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE AND OTHER
5 VIOLENT CRIMES BY AUTHORIZING A TAX ON GUN DEALERS, GUN
6 MANUFACTURERS, AND AMMUNITION VENDORS AT THE RATE OF 9% OF THE
7 NET TAXABLE SALES FROM THE RETAIL SALE OF ANY GUN, GUN PRECURSOR
8 PART, OR AMMUNITION, WITH THE STATE KEEPING AND SPENDING ALL OF
9 THE NEW TAX REVENUE AS A VOTER-APPROVED REVENUE CHANGE?"

10 (3) FOR PURPOSES OF SECTION 1-5-407, THE BALLOT ISSUE IS A
11 PROPOSITION. SECTION 1-40-106 (3)(d) DOES NOT APPLY TO THE BALLOT
12 ISSUE.

13 PART 3

14 FIREARMS AND AMMUNITION EXCISE TAX CASH FUND

15 **39-37-301. Firearms and ammunition excise tax cash fund -**
16 **creation - distribution.** (1) (a) THE FIREARMS AND AMMUNITION EXCISE
17 TAX CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS
18 OF MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-110
19 (2) AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
20 APPROPRIATE OR TRANSFER TO THE FUND.

21 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
22 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
23 FUND TO THE FUND.

24 (2) (a) EXCEPT FOR ANY MONEY IN THE FUND THAT IS ANNUALLY
25 APPROPRIATED BY THE GENERAL ASSEMBLY PURSUANT TO SUBSECTION
26 (2)(b) OF THIS SECTION, MONEY PAID INTO THE FUND PURSUANT TO
27 SECTION 39-37-110 (2) OR CREDITED TO THE FUND PURSUANT TO

1 SUBSECTION (1)(b) OF THIS SECTION MUST BE DISTRIBUTED FROM THE
2 FUND AS FOLLOWS:

3 (I) (A) THE FIRST THIRTY-FIVE MILLION DOLLARS PAID INTO THE
4 FUND IN THE FIRST FISCAL YEAR IN WHICH MONEY IS TRANSFERRED TO THE
5 FUND MUST BE TRANSFERRED TO THE COLORADO CRIME VICTIM SERVICES
6 FUND CREATED IN SECTION 24-33.5-505.5 (2) AND USED FOR CRIME VICTIM
7 SERVICES GRANTS, AS DESCRIBED IN SECTION 24-33.5-505.5 (3);

8 (B) FOR EACH FISCAL YEAR THEREAFTER, THE EXECUTIVE
9 DIRECTOR OR THE EXECUTIVE DIRECTOR'S DESIGNEE SHALL ANNUALLY
10 CALCULATE AND ADJUST THE AMOUNT REQUIRED TO BE TRANSFERRED
11 PURSUANT TO SUBSECTION (2)(a)(I)(A) OF THIS SECTION FOR INFLATION
12 OR DEFLATION AND SHALL ROUND THE ADJUSTED AMOUNT UPWARD OR
13 DOWNWARD TO THE NEAREST ONE THOUSAND DOLLARS. INFLATION OR
14 DEFLATION IS MEASURED BY THE ANNUAL PERCENTAGE CHANGE IN THE
15 UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS
16 CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR
17 DENVER-AURORA-LAKEWOOD FOR "ALL ITEMS" PAID BY URBAN
18 CONSUMERS. THE STATE TREASURER SHALL TRANSFER THE AMOUNT
19 CALCULATED BY THE EXECUTIVE DIRECTOR OR THE EXECUTIVE
20 DIRECTOR'S DESIGNEE PURSUANT TO THIS SUBSECTION (2)(a)(I)(B) IN
21 ACCORDANCE WITH THE REQUIREMENT IN SUBSECTION (2)(a)(I)(A) OF THIS
22 SECTION.

23 (II) AFTER THE REQUIREMENT IN SUBSECTION (2)(a)(I) OF THIS
24 SECTION IS MET, THE NEXT TEN MILLION DOLLARS PAID INTO THE FUND IN
25 EACH FISCAL YEAR MUST BE TRANSFERRED TO THE SCHOOL SECURITY
26 DISBURSEMENT PROGRAM CASH FUND CREATED IN SECTION 24-33.5-1811
27 (1);

1 (III) AFTER THE REQUIREMENT IN SUBSECTION (2)(a)(II) OF THIS
2 SECTION IS MET, THE NEXT TEN MILLION DOLLARS PAID INTO THE FUND IN
3 EACH FISCAL YEAR MUST BE TRANSFERRED TO THE BEHAVIORAL AND
4 MENTAL HEALTH CASH FUND CREATED IN SECTION 24-75-230 (2)(a); AND

5 (IV) AFTER THE REQUIREMENT IN SUBSECTION (2)(a)(III) OF THIS
6 SECTION IS MET, ALL REMAINING MONEY PAID INTO THE FUND IN EACH
7 FISCAL YEAR MUST BE TRANSFERRED TO THE COLORADO CRIME VICTIM
8 SERVICES FUND CREATED IN SECTION 24-33.5-505.5 (2) AND USED FOR
9 CRIME VICTIM SERVICES GRANTS, AS DESCRIBED IN SECTION 24-33.5-505.5
10 (3).

11 (b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
12 ASSEMBLY, FOR STATE FISCAL YEAR 2024-25 AND ANY STATE FISCAL YEAR
13 THEREAFTER, THE DEPARTMENT OF REVENUE MAY EXPEND MONEY FROM
14 THE FUND FOR DIRECT AND INDIRECT COSTS ASSOCIATED WITH
15 IMPLEMENTING AND ADMINISTERING THIS ARTICLE 37.

16 (3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
17 ON JUNE 30, 2025 AND JUNE 30, 2026, THE STATE TREASURER SHALL
18 TRANSFER FROM THE FUND TO THE GENERAL FUND AN AMOUNT OF MONEY
19 EQUAL TO THE AMOUNT OF MONEY USED IN THE STATE FISCAL YEARS
20 2024-25 AND 2025-26, FROM THE GENERAL FUND TO PAY THE COSTS OF
21 IMPLEMENTING AND ADMINISTERING THIS ARTICLE 37.

22

23 **SECTION 2.** In Colorado Revised Statutes, 24-33.5-505.5,
24 **amend** (2), (3), and (5)(a) as follows:

25 **24-33.5-505.5. Colorado crime victim services fund - creation**
26 **- uses - applications for grants - legislative declaration - repeal.**

27 (2) (a) The Colorado crime victim services fund is created in the state

1 treasury and referred to in this section as the "fund". The fund consists of
2 money transferred to the fund pursuant to subsection (4) of this section,
3 MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-301
4 (2)(a)(I) AND (2)(a)(IV) and any other money that the general assembly
5 may appropriate or transfer to the fund.

6 (b) Money in PAID INTO the fund PURSUANT TO SUBSECTION (4) OF
7 THIS SECTION is continuously appropriated to the division for crime victim
8 services grants, as described in subsection (3) of this section.

9 (c) MONEY PAID INTO THE FUND PURSUANT TO SECTION 39-37-301
10 (2)(a)(I) AND (2)(a)(IV) MUST BE USED FOR CRIME VICTIM SERVICES
11 GRANTS, AS DESCRIBED IN SUBSECTION (3) OF THIS SECTION.

12

13 (d) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
14 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
15 FUND TO THE FUND.

16 (3) The division shall award grants from the fund to governmental
17 agencies and nonprofit organizations that provide services for crime
18 victims, including attending to the needs of animal companions. A grant
19 award may be used to enhance or provide services for crime victims OR
20 FOR THE PREVENTION OF CRIMES. The division shall award grants from the
21 fund in accordance with the division's process for awarding grants
22 described in section 24-33.5-507.

23 (5) (a) The division may use up to five hundred thousand dollars
24 of the money transferred to the fund pursuant to subsection (4) of this
25 section and up to five percent of any other money transferred or
26 appropriated to the fund for development and administrative costs
27 incurred by the division pursuant to this section; EXCEPT THAT THE

1 DIVISION MAY USE UP TO TEN PERCENT OF THE MONEY TRANSFERRED TO
2 THE FUND PURSUANT TO SECTION 39-37-301 (2)(a)(I) and (2)(a)(IV) FOR
3 DEVELOPMENT AND ADMINISTRATIVE COSTS INCURRED BY THE DIVISION
4 PURSUANT TO SUBSECTION (2)(c) OF THIS SECTION.

5 **SECTION 3.** In Colorado Revised Statutes, **amend**
6 **24-33.5-1811** as follows:

7 **24-33.5-1811. School security disbursement program cash**
8 **fund - repeal.** (1) The school security disbursement program cash fund,
9 referred to in this section as the "fund" is created in the state treasury. The
10 fund consists of money TRANSFERRED TO THE FUND PURSUANT TO
11 SECTION 39-37-301 (2)(a)(II) AND ANY OTHER MONEY that the general
12 assembly may appropriate or transfer to the fund. The state treasurer shall
13 credit all interest and income derived from the deposit and investment of
14 money in the fund to the fund. Subject to annual appropriation by the
15 general assembly, the department may expend money from the fund to
16 implement the school security disbursement program created in section
17 24-33.5-1810. The department may expend up to three percent of the
18 amount appropriated to the fund in each fiscal year for the administrative
19 expenses incurred in implementing the school security disbursement
20 program.

21 (2) This section is repealed, effective July 1, 2024. The state
22 treasurer shall transfer all unexpended and unencumbered money in the
23 fund on June 30, 2024, to the general fund JULY 1, 2032.

24 **SECTION 4.** In Colorado Revised Statutes, 24-75-230, **amend**
25 (2)(a), (3), and (5); and **add** (3.5) and (3.7) as follows:

26 **24-75-230. Behavioral and mental health cash fund - creation**
27 **- allowable uses - task force - definitions - repeal.** (2) (a) The

1 behavioral and mental health cash fund is created in the state treasury.
2 The fund consists of money credited to the fund in accordance with
3 subsection (2)(b) of this section, MONEY TRANSFERRED TO THE FUND
4 PURSUANT TO SECTION 39-37-301 (2)(a)(III), and any other money that the
5 general assembly may appropriate or transfer to the fund. ~~To respond to~~
6 ~~the public health emergency with respect to COVID-19 or its negative~~
7 ~~economic impacts or for the provision of government services,~~ The
8 general assembly may appropriate money from the fund to a department
9 for behavioral health care.

10 (3) (a) A department may expend money appropriated from the
11 fund THAT WAS CREDITED TO THE FUND IN ACCORDANCE WITH
12 SUBSECTION (2)(b) OF THIS SECTION for purposes permitted under the
13 "American Rescue Plan Act of 2021" Pub.L. 117-2, as the act may be
14 subsequently amended, and shall not use the money for any purpose
15 prohibited by the act. A department or any person who receives SUCH
16 money from the fund shall comply with any requirements set forth in
17 section 24-75-226.

18 (b) THE LIMITATIONS AND REQUIREMENTS SET FORTH IN
19 SUBSECTION (3)(a) OF THIS SECTION DO NOT APPLY TO MONEY
20 TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-301 (2)(a)(III).

21 (3.5) THE FIRST FIVE MILLION DOLLARS OF THE MONEY
22 TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-301 (2)(a)(III)
23 MUST BE USED BY THE BEHAVIORAL HEALTH ADMINISTRATION,
24 ESTABLISHED PURSUANT TO SECTION 27-50-102, FOR THE PURPOSE OF
25 CONTINUING AND EXPANDING ACCESS TO BEHAVIORAL HEALTH CRISIS
26 RESPONSE SYSTEM SERVICES FOR CHILDREN AND YOUTH IN ACCORDANCE
27 WITH ARTICLE 60 OF TITLE 27.

1 (3.7) AFTER THE REQUIREMENT IN SUBSECTION (3.5) OF THIS
2 SECTION IS MET, THE NEXT FIVE MILLION DOLLARS OF THE MONEY
3 TRANSFERRED TO THE FUND PURSUANT TO SECTION 39-37-201 (2)(a)(III)
4 MUST BE USED BY THE BEHAVIORAL HEALTH ADMINISTRATION IN
5 COORDINATION WITH THE DIVISION OF VETERANS AFFAIRS, CREATED IN
6 SECTION 28-5-701 (1), FOR THE PURPOSE OF CONTINUING AND EXPANDING
7 THE VETERANS MENTAL HEALTH SERVICES PROGRAM IN ACCORDANCE
8 WITH SECTION 28-5-714.

9 (5) This section is repealed, effective ~~July 1, 2027~~ JULY 1, 2032.

10 **SECTION 5.** In Colorado Revised Statutes, 27-60-103, **add** (1.7)
11 as follows:

12 **27-60-103. Behavioral health crisis response system - services**
13 **- request for proposals - criteria - reporting - rules - definitions -**
14 **repeal.** (1.7) BEGINNING JANUARY 1, 2025, THE BHA SHALL USE THE
15 MONEY TRANSFERRED TO THE BEHAVIORAL AND MENTAL HEALTH CASH
16 FUND PURSUANT TO SECTIONS 24-75-230 (2)(a) AND 39-37-301 (2)(a)(III),
17 TO CONTINUE AND EXPAND ACCESS TO BEHAVIORAL HEALTH CRISIS
18 RESPONSE SYSTEM SERVICES FOR CHILDREN AND YOUTH IN ACCORDANCE
19 WITH THIS ARTICLE 60.

20 **SECTION 6.** In Colorado Revised Statutes, 28-5-714, **amend**
21 (2)(d) as follows:

22 **28-5-714. Veterans mental health services program - report -**
23 **rules - definitions.** (2) (d) The behavioral health administration
24 established in section 27-50-102 shall COORDINATE WITH THE DIVISION TO
25 CONTINUE AND EXPAND THE PROGRAM USING THE MONEY TRANSFERRED
26 PURSUANT TO SECTION 39-37-301 (2)(a)(III) TO THE BEHAVIORAL AND
27 MENTAL HEALTH CASH FUND, CREATED IN SECTION 24-75-230 (2)(a), IN

1 ACCORDANCE WITH SECTION 24-75-230 (3.7) AND SHALL post on its
2 website a list of providers who participate in the program.

3 SECTION 7. In Colorado Revised Statutes, 39-21-102, amend
4 (1) as follows:

5 39-21-102. Scope. (1) Unless otherwise indicated, the provisions
6 of this article 21 apply to the taxes or fees imposed by ~~articles 22 to 35~~
7 ARTICLES 22 TO 37 of this title 39 and article 60 of title 34, section 21 of
8 article X of the state constitution, article 3 of title 42, part 5 of article 3
9 of title 44, articles 11 and 20 of title 30, article 4 of title 43, article 2 of
10 title 40, and part 2 of article 20 of title 8.

11 SECTION 8. In Colorado Revised Statutes, 39-21-103, amend
12 (1) as follows:

13 39-21-103. Hearings. (1) As soon as practicable after any tax
14 return or the return showing the value of oil and gas is filed, pursuant to
15 ~~articles 22 to 29 of this title, article 60 of title 34, or article 3 of title 42,~~
16 C.R.S., the executive director shall examine it and shall determine the
17 correct amount of tax. If the tax found due is greater than the amount
18 theretofore assessed or paid, a notice of deficiency shall be mailed to the
19 taxpayer by first-class mail as set forth in section 39-21-105.5.

20 SECTION 9. In Colorado Revised Statutes, 39-21-106, amend
21 (1) as follows:

22 39-21-106. Compromise. (1) The executive director or ~~his or her~~
23 THE EXECUTIVE DIRECTOR'S delegate may compromise any civil or
24 criminal case arising under any tax or ~~the charge on oil and gas~~
25 ~~production imposed by articles 22 to 29 of this title, article 60 of title 34,~~
26 ~~or article 3 of title 42, C.R.S.,~~ ADMINISTERED PURSUANT TO THIS ARTICLE
27 21 prior to reference to the department of law for prosecution or defense;

1 and the attorney general or ~~his or her~~ THE ATTORNEY GENERAL'S delegate
2 shall, upon the written direction of the executive director, compromise
3 any such case after reference to the department of law for prosecution or
4 defense.

5 **SECTION 10.** In Colorado Revised Statutes, 39-21-107, **amend**
6 (1)as follows:

7 **39-21-107. Limitations.** (1) Except as provided in this section,
8 in section 29-2-106.1 (5)(b), and unless such time is extended by waiver,
9 the amount of any tax or of any charge on oil and gas production imposed
10 pursuant to ~~articles 24 to 29 of this title 39 or article 3 of title 42~~, and the
11 penalty and interest applicable thereto, shall be assessed within three
12 years after the return was filed, whether or not such return was filed on
13 or after the date prescribed, and no assessment shall be made or credit
14 taken and no notice of lien shall be filed, nor distraint warrant issued, nor
15 suit for collection instituted, nor any other action to collect the same
16 commenced after the expiration of such period; except that a written
17 proposed adjustment of the tax liability by the department issued prior to
18 the expiration of such period shall extend the limitation of this subsection
19 (1) for one year after a final determination or assessment is made. No lien
20 shall continue after the three-year period provided for in this subsection
21 (1), except for taxes assessed before the expiration of such period, notice
22 of lien with respect to which has been filed prior to the expiration of such
23 period, and except for taxes on which written notice of any proposed
24 adjustment of the tax liability has been sent to the taxpayer during such
25 three-year period, in which case the lien shall continue for one year only
26 after the expiration of such period or after the issuance of a final
27 determination or assessment based on the proposed adjustment issued

1 prior to the expiration of the three-year period. This subsection (1) shall
2 DOES not apply to income tax or to any tax imposed under article 23.5 of
3 this title 39.

4 **SECTION 11.** In Colorado Revised Statutes, 39-21-108, amend
5 (3)(a)(I)(A) introductory portion as follows:

6 **39-21-108. Refunds.** (3) (a) (I) (A) Whenever it is established
7 that any taxpayer has, for any period open under the statutes, overpaid a
8 tax covered by articles 22 and 26 to 29 of this title 39, article 60 of title
9 34, and article 3 of title 42 ADMINISTERED PURSUANT TO THIS ARTICLE 21
10 and that: There is an unpaid balance of tax and interest accrued, according
11 to the records of the executive director, owing by such taxpayer for any
12 other period; there is an amount required to be repaid to the
13 unemployment compensation fund pursuant to section 8-81-101 (4), the
14 amount of which has been determined to be owing as a result of a final
15 agency determination or judicial decision or that has been reduced to
16 judgment by the division of unemployment insurance in the department
17 of labor and employment; there is any unpaid child support debt as set
18 forth in section 14-14-104, or child support arrearages that are the subject
19 of enforcement services provided pursuant to section 26-13-106, as
20 certified by the department of human services; there are any unpaid
21 obligations owing to the state as set forth in section 26-2-133, for
22 overpayment of public assistance or medical assistance benefits, the
23 amount of which has been determined to be owing as a result of final
24 agency determination or judicial decision or that has been reduced to
25 judgment, as certified by the department of human services; there are any
26 unpaid obligations owing to the state as set forth in section 26.5-4-119,
27 for overpayment of child care assistance, the amount of which has been

1 determined to be owing as a result of final agency determination or
2 judicial decision or that has been reduced to judgment as certified by the
3 department of early childhood; there is any unpaid loan or other
4 obligation due to a state-supported institution of higher education as set
5 forth in section 23-5-115, the amount of which has been determined to be
6 owing as a result of a final agency determination or judicial decision or
7 that has been reduced to judgment, as certified by the appropriate
8 institution; there is any unpaid loan due to the student loan division of the
9 department of higher education as set forth in section 23-3.1-104 (1)(p),
10 the amount of which has been determined to be owing as a result of a
11 final agency determination or judicial decision or that has been reduced
12 to judgment, as certified by the division; there is any unpaid loan due to
13 the collegeinvest division of the department of higher education as set
14 forth in section 23-3.1-206, the amount of which has been determined to
15 be owing as a result of a final agency determination or judicial decision
16 or that has been reduced to judgment; there is any outstanding judicial
17 fine, fee, cost, or surcharge as set forth in section 16-11-101.8, or judicial
18 restitution as set forth in section 16-18.5-106.8, the amount of which has
19 been determined to be owing as a result of a final judicial department
20 determination or certified by the judicial department as a judgment owed
21 the state or a victim; there is any unpaid debt owing to the state or any
22 agency thereof by such taxpayer, and that is found to be owing as a result
23 of a final agency determination or the amount of which has been reduced
24 to judgment and as certified by the state agency; or the taxpayer is a
25 qualified individual identified pursuant to section 39-22-120 (10) or
26 39-22-2003 (9), so much of the overpayment of tax plus interest
27 allowable thereon as does not exceed the amount of such unpaid balance

1 or unpaid debt must be credited first to the unpaid balance of tax and
2 interest accrued and then to the unpaid debt, and any excess of the
3 overpayment must be refunded. If the taxpayer elects to designate his or
4 her refund as a credit against a subsequent year's tax liability, the amount
5 allowed to be so credited must be reduced first by the unpaid balance of
6 tax and interest accrued and then by the unpaid debt. If the taxpayer filed
7 a joint return, the executive director shall notify the other taxpayer named
8 on the joint return that the portion of the overpayment that is generated by
9 the other taxpayer's income will be refunded upon receipt of a request
10 detailing said amount.

11 **SECTION 12.** In Colorado Revised Statutes, 39-21-109, **amend**
12 (1) as follows:

13 **39-21-109. Interest on underpayment, nonpayment, or**
14 **extensions of time for payment of tax.** (1) If any amount of tax or any
15 charge on oil and gas production imposed pursuant to articles 22 to 29 of
16 this title, article 60 of title 34, or article 3 of title 42, C.R.S.,
17 ADMINISTERED PURSUANT TO THIS ARTICLE 21 is not paid on or before the
18 last date prescribed for payment, interest on such amount at the rate
19 imposed under section 39-21-110.5, except as provided in subsection
20 (1.5) of this section, shall be paid for the period from such last date to the
21 date paid. The last date prescribed for payment shall be determined
22 without regard to any extension of time for payment and shall be
23 determined without regard to any notice and demand for payment issued,
24 by reason of jeopardy, prior to the last date otherwise prescribed for such
25 payment. In the case of a tax in which the last date for payment is not
26 otherwise prescribed, the last date for payment shall be deemed to be the
27 date the liability for the tax arises, and in no event shall it be later than the

1 date notice and demand for the tax is made by the executive director of
2 the department of revenue or his THE EXECUTIVE DIRECTOR'S delegate.

3 **SECTION 13.** In Colorado Revised Statutes, 39-21-110, **amend**
4 (1) introductory portion, (2), and (3) as follows:

5 **39-21-110. Interest on overpayments - repeal.** (1) Interest shall
6 be allowed and paid upon any overpayment in respect to any tax or any
7 charge on oil and gas production imposed pursuant to articles 22 to 29 of
8 this title 39, article 60 of title 34, or article 3 of title 42 ADMINISTERED
9 PURSUANT TO THIS ARTICLE 21 at the rate imposed under section
10 39-21-110.5. Such interest shall be allowed and paid as follows:

11 (2) Any portion of any tax or of a charge on oil and gas production
12 imposed pursuant to articles 22 to 29 of this title, article 60 of title 34, or
13 article 3 of title 42, C.R.S., ADMINISTERED PURSUANT TO THIS ARTICLE 21
14 or any interest, assessable penalty, additional amount, or addition to a tax
15 or charge which has been erroneously refunded shall bear interest at the
16 rate imposed under section 39-21-110.5 from the date of the payment of
17 the refund.

18 (3) If any overpayment of any tax or of a charge on oil and gas
19 production imposed pursuant to articles 22 to 29 of this title, article 60 of
20 title 34, or article 3 of title 42, C.R.S., ADMINISTERED PURSUANT TO THIS
21 ARTICLE 21 is refunded within ninety days after the last date prescribed
22 for filing the return of such tax or charge, determined without regard to
23 any extension of time for filing the return, no interest shall be allowed
24 under subsection (1) of this section on such overpayment.

25 **SECTION 14.** In Colorado Revised Statutes, 39-21-110.5,
26 **amend** (1) as follows:

27 **39-21-110.5. Rate of interest to be fixed.** (1) When interest is

1 required or permitted to be charged ~~under any provision of articles 20 to~~
2 ~~29 of this title in connection with interest~~ PURSUANT TO THIS SECTION on
3 ANY underpayment, nonpayment, extension of time for payment, or
4 overpayment, or when interest is required to be paid pursuant to section
5 8-20.5-104, C.R.S., in connection with an application for reimbursement
6 from the petroleum storage tank fund, such interest shall be computed at
7 the annual rate which has been established pursuant to this section.

8 **SECTION 15.** In Colorado Revised Statutes, 39-21-112, **amend**
9 (1) as follows:

10 **39-21-112. Duties and powers of executive director.** (1) It is
11 the duty of the executive director to administer the provisions of this
12 article 21, and the executive director has the power to adopt, amend, or
13 rescind such rules not inconsistent with the provisions of this article 21,
14 ~~articles 22 to 29 of this title 39, and article 3 of title 42~~ THE STATUTORY
15 PROVISIONS LISTED IN SECTION 39-21-102, and, subject to other provisions
16 of law relating to the promulgation of rules, to appoint, pursuant to
17 section 13 of article XII of the state constitution, such persons, to make
18 such expenditures, to require such reports, to make such investigations,
19 and to take such other action as the executive director deems necessary
20 or suitable to that end. The executive director shall determine the
21 organization and methods of procedure in accordance with the provisions
22 of this article 21. For the purpose of ascertaining the correctness of any
23 return or for the purpose of making an estimate of the tax due from any
24 taxpayer, the executive director has the power to examine or cause to be
25 examined by any employee, agent, or representative designated by the
26 executive director for that purpose any books, papers, records, or
27 memoranda bearing upon the matters required to be included in the

1 return. In the exercise of rule-making authority as to article 29 of this title
2 39, as granted by the general assembly pursuant to this subsection (1), the
3 executive director may not readopt any rule, or portion thereof,
4 disapproved on or after July 1, 1982, by the general assembly pursuant to
5 section 24-4-103 (8)(d) without the approval of the general assembly.

6 **SECTION 16.** In Colorado Revised Statutes, 39-21-113, **amend**
7 (1)(a) as follows:

8 **39-21-113. Reports and returns - rule - repeal.** (1) (a) It is the
9 duty of every person, firm, or corporation liable to the state of Colorado
10 for any tax or any charge on oil and gas production imposed pursuant to
11 ~~articles 23.5 to 29 of this title or article 3 of title 42, C.R.S.,~~
12 ADMINISTERED PURSUANT TO THIS ARTICLE 21 to keep and preserve for a
13 period of three years such books, accounts, and records as may be
14 necessary to determine the amount of liability.

15 **SECTION 17.** In Colorado Revised Statutes, 39-21-119.5,
16 **amend** (1), (4)(k), and (4)(l); and **add** (4)(m) as follows:

17 **39-21-119.5. Mandatory electronic filing of returns -**
18 **mandatory electronic payment - penalty - waiver - definitions.**
19 (1) For purposes of this section, "return" means any report, claim, tax
20 return statement, or other document required or authorized under articles
21 11 and 25 of title 29, article 11 of title 30, articles 22, 26, 27, 28, 28.5,
22 28.6, 28.8, ~~and 29,~~ AND 37 of this title 39, article 2 of title 40, article 3 of
23 title 42, article 4 of title 43, and title 44, and any form, statement report,
24 or other document prescribed by the executive director for reporting a tax
25 liability, a fee liability, or other information required to be returned to the
26 executive director, including the reporting of changes or amendments
27 thereto, and any schedule certification, worksheet, or other document

1 required to accompany the return.

2 (4) Except as provided in subsection (6) of this section, on and
3 after August 2, 2019, electronic filing of returns and the payment of any
4 tax or fee by electronic funds transfer is required for the following:

5 (k) Any clean fleet per ride fee and air pollution mitigation per
6 ride fee return required to be filed and payment required pursuant to
7 section 40-10.1-607.5; and

8 (l) Any quarterly report for the advance payment of an income tax
9 credit required to be filed pursuant to section 39-22-629 (2)(b); AND

10 (m) ANY FIREARMS AND AMMUNITION EXCISE TAX RETURN
11 REQUIRED TO BE FILED AND ANY PAYMENT OF TAX REQUIRED TO BE
12 REMITTED PURSUANT TO ARTICLE 37 OF THIS TITLE 39.

13 **SECTION 18. Appropriation.** (1) For the 2024-25 state fiscal
14 year, \$383,027 is appropriated to the department of revenue. This
15 appropriation is from the general fund. To implement this act, the
16 department may use this appropriation as follows:

17 (a) \$26,810 for use by the executive director's office for personal
18 services related to administration and support;

19 (b) \$139,050 for tax administration IT system (GenTax) support;

20 (c) \$40,493 for use by the taxation business group for personal
21 services related to taxation services, which amount is based on an
22 assumption that the group will require an additional 0.4 FTE;

23 (d) \$3,847 for use by the taxation business group for operating
24 expenses related to taxation services; and

25 (e) \$172,827 for the purchase of legal services.

26 (2) For the 2024-25 state fiscal year, \$172,827 is appropriated to
27 the department of law. This appropriation is from reappropriated funds

1 received from the department of revenue under subsection (1)(e) of this
2 section and is based on an assumption that the department of law will
3 require an additional 0.8 FTE. To implement this act, the department of
4 law may use this appropriation to provide legal services for the
5 department of revenue.

6 (3) The money appropriated by this section becomes available
7 upon passage of the ballot measure pursuant to Section 39-37-201, (2)
8 C.R.S.

9 **SECTION 19. Effective date.** (1) Except as otherwise provided
10 in subsection (2) of this section, this act takes effect only if, at the
11 November 2024 statewide election, a majority of voters approve the ballot
12 issue referred in accordance with section 39-37-201, Colorado Revised
13 Statutes, created in section 1 of this act. If the voters approve the ballot
14 issue, then this act takes effect on the date of the official declaration of
15 the vote thereon by the governor.

16 (2) Section 39-37-201, Colorado Revised Statutes, created in
17 section 1 of this act, and section 24-33.5-1811, Colorado Revised
18 Statutes, amended in section 3 of this act, take effect upon passage.

19 **SECTION 20. Safety clause.** The general assembly finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, or safety or for appropriations for
22 the support and maintenance of the departments of the state and state
23 institutions.