

**Second Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO**

**REENGROSSED**

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

LLS NO. 10-0735.01 Esther van Mourik

**HOUSE BILL 10-1189**

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**HOUSE SPONSORSHIP**

**Pommer,**

**SENATE SPONSORSHIP**

**Heath,**

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**House Committees**

Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING THE ELIMINATION OF THE STATE SALES AND USE TAX**  
102             **EXEMPTION FOR DIRECT MAIL ADVERTISING MATERIALS, AND**  
103             **MAKING AN APPROPRIATION THEREFOR.**

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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 <http://www.leg.state.co.us/billsummaries>.)*

Commencing March 1, 2010, the bill eliminates the state sales and use tax exemption for direct mail advertising materials that are distributed in Colorado by any person engaged in the business of providing cooperative direct mail advertising. The bill allows a local government

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.*

HOUSE  
3rd Reading Unamended  
February 1, 2010

HOUSE  
Amended 2nd Reading  
January 29, 2010

or political subdivision of the state to continue to exempt such direct mail advertising materials from local sales or use tax.

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

2 **SECTION 1.** 39-26-102 (15), Colorado Revised Statutes, is  
3 amended to read:

4 **39-26-102. Definitions.** As used in this article, unless the context  
5 otherwise requires:

6 (15) "Tangible personal property" means corporeal personal  
7 property. The term shall not be construed to include newspapers, as  
8 legally defined by section 24-70-102, C.R.S., preprinted newspaper  
9 supplements ~~which~~ THAT become attached to or inserted in and  
10 distributed with such newspapers, or direct mail advertising materials  
11 ~~which~~ THAT are distributed in Colorado by any person engaged solely and  
12 exclusively in the business of providing cooperative direct mail  
13 advertising; EXCEPT THAT, COMMENCING MARCH 1, 2010, FOR PURPOSES  
14 OF THE STATE SALES OR USE TAX, "TANGIBLE PERSONAL PROPERTY" SHALL  
15 INCLUDE DIRECT MAIL ADVERTISING MATERIALS THAT ARE DISTRIBUTED  
16 IN COLORADO BY ANY PERSON ENGAGED SOLELY AND EXCLUSIVELY IN  
17 THE BUSINESS OF PROVIDING COOPERATIVE DIRECT MAIL ADVERTISING.

18 (II) NO FUNDING RECEIVED FROM REVENUES RECEIVED AS A  
19 RESULT OF THE PASSAGE OF HOUSE BILL 10-1189, ENACTED IN 2010,  
20 SHALL BE USED TO FUND ADDITIONAL FULL TIME EQUIVALENT STATE  
21 EMPLOYEES.

22  
23 **SECTION 2.** Part 1 of article 21 of title 39, Colorado Revised  
24 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
25 read:

1           **39-21-122. Revenue impact of 2010 tax legislation - tracking**  
2   **by department.** THE DEPARTMENT OF REVENUE SHALL ACCOUNT FOR ALL  
3   REVENUE ATTRIBUTABLE TO THE ENACTMENT OF HOUSE BILL 10-1189,  
4   ENACTED IN 2010, AND SHALL, TO THE EXTENT SUCH INFORMATION IS  
5   AVAILABLE, MAKE QUARTERLY REPORTS TO THE GENERAL ASSEMBLY  
6   REGARDING THE QUARTERLY AND CUMULATIVE NET REVENUE GAIN TO THE  
7   STATE RESULTING FROM THE ENACTMENT OF SAID BILL.

8           **SECTION 3. Appropriation.** In addition to any other  
9   appropriation, there is hereby appropriated, out of any moneys in the  
10   general fund not otherwise appropriated, to the department of revenue, for  
11   allocation to the taxation business group, taxation and compliance  
12   division, for the fiscal year beginning July 1, 2009, the sum of ninety-four  
13   thousand three hundred twenty-two dollars (\$94,322) and 0.9 FTE, or so  
14   much thereof as may be necessary, for the implementation of this act.

15           **SECTION 4. Safety clause.** The general assembly hereby finds,  
16   determines, and declares that this act is necessary for the immediate  
17   preservation of the public peace, health, and safety.