

**First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 15-0745.03 Ed DeCecco x4216

**HOUSE BILL 15-1301**

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**HOUSE SPONSORSHIP**

**Williams, Kagan, Melton, Pabon**

**SENATE SPONSORSHIP**

**Grantham and Hill,**

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**House Committees**

Business Affairs and Labor  
Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING THE CREATION OF A CREDIT FOR TOBACCO PRODUCTS**  
102           **THAT A DISTRIBUTOR SHIPS OR TRANSPORTS TO AN**  
103           **OUT-OF-STATE CONSUMER, AND, IN CONNECTION THEREWITH,**  
104           **CREATING THE "CIGAR ON-LINE SALES EQUALIZATION ACT".**

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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>.)*

The bill permits a distributor to claim a credit for taxes paid on tobacco products that are shipped or transported by the distributor to a consumer outside of the state.

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.*

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

2           **SECTION 1. Short title.** This act shall be known and may be  
3 cited as the "Cigar On-line Sales Equalization Act".

4           **SECTION 2. Legislative declaration.** (1) The general assembly  
5 hereby finds and declares that:

6           (a) Colorado's excise tax on other tobacco products was not  
7 intended to apply to out-of-state sales;

8           (b) An out-of-state consumer that purchases tobacco products  
9 from a Colorado distributor may be responsible for his or her state's  
10 excise tax on the products;

11           (c) Other states provide a credit to distributors that make  
12 out-of-state sales to consumers; and

13           (d) Colorado distributors are at a competitive disadvantage  
14 compared to distributors in other states.

15           (2) Now, therefore, the intended purpose of the tax credit created  
16 in this act is to avoid double state excise taxation and to remove a barrier  
17 to Colorado businesses selling tobacco products other than cigarettes  
18 on-line to out-of-state consumers.

19           **SECTION 3.** In Colorado Revised Statutes, 39-28.5-107, **amend**  
20 (1) as follows:

21           **39-28.5-107. When credit may be obtained for tax paid.**

22 (1) Where tobacco products, upon which the tax imposed by this article  
23 has been reported and paid, are shipped or transported by the distributor  
24 to retailers without the state to be sold by those retailers, ARE SHIPPED OR  
25 TRANSPORTED BY THE DISTRIBUTOR TO A CONSUMER WITHOUT THE STATE  
26 ON OR AFTER SEPTEMBER 1, 2015, BUT PRIOR TO SEPTEMBER 1, 2018, or

1 are returned to the manufacturer by the distributor or destroyed by the  
2 distributor, credit of such tax may be made to the distributor in  
3 accordance with regulations prescribed by the department.

4 **SECTION 4. Act subject to petition - effective date.** This act  
5 takes effect at 12:01 a.m. on the day following the expiration of the  
6 ninety-day period after final adjournment of the general assembly (August  
7 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a  
8 referendum petition is filed pursuant to section 1 (3) of article V of the  
9 state constitution against this act or an item, section, or part of this act  
10 within such period, then the act, item, section, or part will not take effect  
11 unless approved by the people at the general election to be held in  
12 November 2016 and, in such case, will take effect on the date of the  
13 official declaration of the vote thereon by the governor.

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