

Colorado Legislative Council Staff Fiscal Note
REVISED NO FISCAL IMPACT

(replaces fiscal note dated January 22, 2014)

Drafting Number: LLS 14-0676	Date: March 11, 2014
Prime Sponsor(s): Rep. McLachlan; Coram Sen. Roberts	Bill Status: Senate Finance
	Fiscal Analyst: Larson Silbaugh (303-866-4720)

SHORT TITLE: SALES & USE TAX EXEMPTION FOR UTE INDIANS

Summary of Legislation

This bill clarifies that sales taxes do not apply to purchases made on a Native American reservation, or delivered to the reservation, if the purchaser is an enrolled tribal member. In addition, it exempts sales of automobiles from sales taxes if they are made by an enrolled tribal member and the automobile will be registered at an address on a reservation. It also allows for a sales tax exemption if the sale is made on the reservation to a legal entity that is owned or partially owned by an enrolled tribal member.

This bill only applies to the two federally recognized tribes in Colorado, the Southern Ute Tribe and the Ute Mountain Ute Tribe.

Background

Under current law, sales made to tribal members on a reservation are exempt from Colorado sales taxes. In order to qualify for this exemption, two conditions must be met:

- the sale must occur on the reservation; and
- the purchaser must be an enrolled member of the tribe and live on the reservation.

Under a Department of Revenue ruling, sales taxes are not collected on the sale of automobiles to enrolled tribal members that will be registered to an address on the reservation. This bill codifies current Department of Revenue practice, so there is no fiscal impact of this bill.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Revenue	Personnel and Administration	Counties
Cities	Clerks and Recorders	