

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

PREAMENDED

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

LLS NO. 15-0258.02 Ed DeCecco x4216

HOUSE BILL 15-1228

HOUSE SPONSORSHIP

Mitsch Bush and Becker J., Priola, Buck, Coram, Dore, Lee, Pabon, Rankin, Ryden,
Vigil, Williams

SENATE SPONSORSHIP

Scott,

House Committees

Transportation & Energy
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE SPECIAL FUEL EXCISE TAX ON LIQUEFIED**
102 **PETROLEUM GAS.**

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 makes the following changes related to how the special fuel excise tax on liquefied petroleum gas (LPG) is imposed, collected, and administered in this state:

- ! Adds a private commercial fleet operator that uses LPG to the definition of "distributor"; (**Section 2**)
- ! Changes the definition of "gallons" for LPG from a gross

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.*

- gallon to a net gallon, which accounts for temperature differences that affect LPG measurements; **(Section 2)**
- ! Limits the imposition of the tax so that in most instances it is only levied when LPG is placed in a motor vehicle's fuel tank, which is currently defined as a "use", instead of when the fuel is acquired, sold, offered for sale, or used for any purpose whatsoever; **(Section 3)**
- ! Requires a distributor that uses LPG from a cargo tank to propel a cargo tank motor vehicle to pay the tax on the gallons of LPG used to propel the motor vehicle, based on the vehicle's miles traveled; **(Section 3)**
- ! Requires a distributor that places the LPG in a fuel tank to pay the tax or, if none, for a nondistributor user to pay it; **(Section 3)**
- ! Eliminates the 2% allowance for LPG lost in transit or in handling; **(Section 3)**
- ! Prohibits the department of revenue from collecting any penalties or interest related to the LPG excise tax that is due from January 1, 2014, until January 1, 2016; **(Section 5)**
- ! Eliminates the minimum \$25,000 bond amount for LPG distributors; **(Section 6)**
- ! Requires the department of revenue to update its fuel tracking system to accommodate the LPG excise tax changes; and **(Section 8)**
- ! Eliminates the requirement that a LPG distributor preprint the serially numbered invoices for each sale or transfer of LPG. **(Section 9)**

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

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

4 (a) The special fuel excise tax applies to fuels that are used for the
 5 generation of power to propel a motor vehicle on the highways of this
 6 state;

7 (b) The tax is imposed on special fuel that is acquired, sold,
 8 offered for sale, or used in this state for any purpose whatsoever;

9 (c) Liquefied petroleum gas is a type of special fuel subject to this

1 broad excise tax;

2 (d) Ninety-five percent of all liquefied petroleum gas is not used
3 as special fuel;

4 (e) The special fuel tax is often levied on liquefied petroleum gas
5 that is not used as special fuel; and

6 (f) As a result, sellers of liquefied petroleum gas are unnecessarily
7 burdened with administrative requirements, and consumers may
8 ultimately pay more for gas that is used to heat their homes or for other
9 nonvehicle purposes.

10 (2) Now, therefore, the general assembly declares that the
11 purpose of this act is to modify the special fuel tax to properly apply the
12 tax to liquefied petroleum gas that is actually used as special fuel.

13 **SECTION 2.** In Colorado Revised Statutes, 39-27-101, **amend**
14 (7) (a) (IV), (7) (a) (V), (11), and (34); and **add** (4.3), (4.7), (7) (a) (VI),
15 and (7) (d) as follows:

16 **39-27-101. Definitions - construction.** As used in this part 1,
17 unless the context otherwise requires:

18 (4.3) "CARGO TANK" MEANS A BULK PACKAGING THAT:

19 (a) IS A TANK INTENDED PRIMARILY FOR THE CARRIAGE OF
20 LIQUIDS, GASES, SOLIDS, OR SEMI-SOLIDS AND INCLUDES APPURTENANCES,
21 REINFORCEMENTS, FITTINGS, AND CLOSURES;

22 (b) IS PERMANENTLY ATTACHED TO OR FORMS A PART OF A MOTOR
23 VEHICLE, OR IS NOT PERMANENTLY ATTACHED TO A MOTOR VEHICLE BUT
24 THAT, BY REASON OF ITS SIZE, CONSTRUCTION, OR ATTACHMENT TO A
25 MOTOR VEHICLE, IS LOADED OR UNLOADED WITHOUT BEING REMOVED
26 FROM THE MOTOR VEHICLE;

27 (c) IS NOT FABRICATED UNDER A SPECIFICATION FOR CYLINDERS,

1 INTERMEDIATE BULK CONTAINERS, MULTI-UNIT TANK CAR TANKS,
2 PORTABLE TANKS, OR TANK CARS; AND

3 (d) IS NOT PRIMARILY INTENDED TO PROVIDE FUEL FOR THE
4 PROPULSION OF THE MOTOR VEHICLE.

5 (4.7) "CARGO TANK MOTOR VEHICLE" MEANS A MOTOR VEHICLE
6 WITH ONE OR MORE CARGO TANKS PERMANENTLY ATTACHED TO OR
7 FORMING AN INTEGRAL PART OF THE MOTOR VEHICLE.

8 (7) (a) "Distributor" means:

9 (IV) A private commercial fleet operator that uses ~~liquefied~~
10 ~~petroleum gas~~ or natural gas from a public utility, as defined in section
11 40-1-103 (1), C.R.S., if:

12 (A) The public utility is not a distributor with respect to the sale
13 of the ~~liquefied petroleum gas~~ or natural gas; and

14 (B) The commercial fleet operator has not contracted with another
15 person to be a distributor under subparagraph (V) of this paragraph (a);
16 or

17 (V) Any person who contracts with a private commercial fleet
18 operator to be a distributor on behalf of the operator; OR

19 (VI) A PRIVATE COMMERCIAL FLEET OPERATOR THAT USES
20 LIQUEFIED PETROLEUM GAS, IF THE OPERATOR HAS NOT CONTRACTED
21 WITH A PERSON TO BE A DISTRIBUTOR ON BEHALF OF THE OPERATOR.

22 (d) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (7)
23 TO THE CONTRARY, A PERSON WHO SELLS LIQUEFIED PETROLEUM GAS AND
24 WHO SUBMITS AN AFFIDAVIT TO THE DEPARTMENT OF REVENUE AND POSTS
25 THE REQUIRED NOTICE IN ACCORDANCE WITH SECTION 39-27-104 (5) (a)
26 IS NOT A DISTRIBUTOR.

27 (11) "Gallons" means gallons as measured on a gross gallons

1 basis, as defined in section 8-20-201 (3), C.R.S.; except that:

2 (a) For purposes of compressed natural gas, "gallons" means
3 gallons as measured by the volumetric reporting requirements that are
4 included in the federal excise tax return, form 720, established by the
5 federal internal revenue service, or any successor form that is used for
6 paying the federal fuel tax; AND

7 (b) FOR PURPOSES OF LIQUEFIED PETROLEUM GAS, "GALLONS"
8 MEANS GALLONS AS MEASURED ON A NET GALLON BASIS AS DEFINED IN
9 SECTION 8-20-201 (5), C.R.S.

10 (34) "Use" or "uses" means the placing of special fuel into any
11 fuel tank, unless it is established to the satisfaction of the executive
12 director of the department of revenue that the fuel was consumed for a
13 purpose other than to propel a motor vehicle on the highways of this state.
14 With respect to fuel brought into this state in a fuel tank, "use" means the
15 consumption of the fuel in this state. A vendor placing special fuel OTHER
16 THAN LIQUEFIED PETROLEUM GAS into a fuel tank of a motor vehicle not
17 owned by the vendor is not deemed to have used the fuel.

18 **SECTION 3.** In Colorado Revised Statutes, 39-27-102, **amend**
19 (1) (a) (I), (1) (b) (I), [REDACTED] and (2.5) as follows:

20 **39-27-102. Tax imposed on gasoline and special fuel - deposits**
21 **- penalties.** (1) (a) (I) (A) An excise tax is imposed and shall be collected
22 on all gasoline or special fuel acquired, sold, offered for sale, or used in
23 this state for any purpose whatsoever, but only one tax shall be paid upon
24 the same gasoline or special fuel in this state. Except as otherwise
25 provided in this subparagraph (I), no more than three tax-deferred
26 transactions shall take place after the gasoline or special fuel has left the
27 terminal of its origin, either within or outside of this state; except that, for

1 purposes of counting the applicable transactions in order to collect the tax
2 imposed by this subparagraph (I), counting shall begin when the gasoline
3 or special fuel first enters this state, whether by truck or by rail. If more
4 than three distributors acquire the gasoline or special fuel, the third
5 distributor shall be liable for payment of the tax imposed. Nothing in this
6 paragraph (a) shall preclude previous distributors from paying the tax. A
7 distributor shall not be required to pay tax on gasoline or special fuel that
8 is exempt pursuant to section 39-27-103 (2). The tax imposed shall be
9 computed upon the total amount of gasoline or special fuel, measured in
10 gallons, acquired by each distributor in this state and shall be paid in the
11 manner provided in this section. FOR PURPOSES OF THIS
12 SUB-SUBPARAGRAPH (A), "SPECIAL FUEL" DOES NOT INCLUDE LIQUEFIED
13 PETROLEUM GAS.

14 (B) AN EXCISE TAX IS IMPOSED ON LIQUEFIED PETROLEUM GAS
15 WHEN IT IS PLACED IN A FUEL TANK, UNLESS THE USE OF THE SPECIAL FUEL
16 IS EXEMPT. THE TAX IMPOSED IS COMPUTED UPON THE TOTAL AMOUNT OF
17 LIQUEFIED PETROLEUM GAS, MEASURED IN GALLONS, THAT IS PLACED IN
18 THE FUEL TANK. IF THE LIQUEFIED PETROLEUM GAS IS PLACED IN THE FUEL
19 TANK BY A DISTRIBUTOR, THE DISTRIBUTOR SHALL PAY THE TAX TO THE
20 DEPARTMENT OF REVENUE IN ACCORDANCE WITH THIS SECTION. ■ ■

21 (C) IF A DISTRIBUTOR USES LIQUEFIED PETROLEUM GAS FROM A
22 CARGO TANK TO PROPEL A CARGO TANK MOTOR VEHICLE ON THE
23 HIGHWAYS IN THIS STATE, AN EXCISE TAX IS IMPOSED ON THE LIQUEFIED
24 PETROLEUM GAS THAT IS USED AS SPECIAL FUEL. THE LIQUEFIED
25 PETROLEUM GAS THAT IS CARRIED IN THE CARGO TANK BUT NOT USED AS
26 SPECIAL FUEL IS NOT SUBJECT TO THE EXCISE TAX. THE TAX IMPOSED IS
27 COMPUTED UPON AN ESTIMATE OF THE TOTAL AMOUNT OF LIQUEFIED

1 PETROLEUM GAS, MEASURED IN GALLONS, USED TO PROPEL THE CARGO
2 TANK MOTOR VEHICLE BASED ON THE NUMBER OF MILES THAT THE
3 VEHICLE TRAVELED. A DISTRIBUTOR SHALL REPORT TO THE DEPARTMENT
4 OF REVENUE THE NUMBER OF MILES THAT THE VEHICLE TRAVELED BASED
5 ON ODOMETER READINGS. THE DEPARTMENT SHALL ESTABLISH THE FORM
6 TO BE USED TO REPORT THIS INFORMATION.

7 (b) (I) In the case of gasoline or special fuel shipped to a
8 distributor from a terminal, the amount of gasoline or special fuel
9 acquired is deemed to be the amount shipped from the terminal, as shown
10 by the terminal manifest; except that an allowance of two percent of the
11 total amount of gasoline or special fuel acquired during any calendar
12 month, as shown by terminal manifests, shall be deducted by the licensed
13 distributor to cover losses in transit and in unloading the gasoline or
14 special fuel and costs of collection and payment to the state of the tax
15 imposed by this section, out of which allowance the distributor shall make
16 to each retailer an allowance of one percent of the amount of gasoline or
17 special fuel delivered during each calendar month by the distributor to the
18 retailer, as shown by delivery invoices signed by the retailer, BUT THERE
19 IS NO ALLOWANCE FOR LIQUEFIED PETROLEUM GAS.

20  

21 (2.5) Except as otherwise provided in paragraph (b) of subsection
22 (2) of this section, every person who imports gasoline or special fuel
23 OTHER THAN LIQUEFIED PETROLEUM GAS into this state for use or sale in
24 this state without a valid importer, supplier, blender, or distributor license
25 is liable for and shall pay an excise tax pursuant to paragraph (a) of
26 subsection (1) of this section on all gasoline or special fuel such person
27 imports for use or sale in this state. In addition to the excise tax, such

1 person shall be subject to the civil penalties set forth in subsection (9) of
2 this section. EVERY PERSON WHO IMPORTS LIQUEFIED PETROLEUM GAS
3 INTO THIS STATE WITHOUT A VALID IMPORTER, SUPPLIER, OR DISTRIBUTOR
4 LICENSE IS SUBJECT TO THE CIVIL PENALTIES SET FORTH IN SUBSECTION (9)
5 OF THIS SECTION. Immediately upon discovery of a violation of this
6 subsection (2.5), the department of revenue and agents thereof may
7 demand payment of such excise tax, IF OWED, and all applicable fines
8 associated with the unlicensed importation of gasoline or special fuel and
9 may detain the shipment of gasoline or special fuel until such excise tax
10 and fines are collected.

11 **SECTION 4.** In Colorado Revised Statutes, 39-27-102.5, **amend**
12 (3) (a) as follows:

13 **39-27-102.5. Exemptions on tax imposed - ex-tax purchases.**

14 (3) (a) The tax collected by the distributor pursuant to this section is
15 deemed to have been received by the distributor at the time ~~such~~ THE fuel
16 is acquired OR, IN THE CASE OF LIQUEFIED PETROLEUM GAS, AT THE TIME
17 THE FUEL IS PLACED IN A FUEL TANK OR USED TO PROPEL A CARGO TANK
18 MOTOR VEHICLE, irrespective of when payment is received by the
19 distributor for the amount of the invoice, including the tax, and the tax
20 required to be collected by the distributor constitutes a debt owed by the
21 distributor to this state.

22 **SECTION 5.** In Colorado Revised Statutes, 39-27-103, **add** (7)
23 as follows:

24 **39-27-103. Refunds - penalties - checkoff - limits on**
25 **collections.** (7) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
26 CONTRARY, THE DEPARTMENT OF REVENUE SHALL NOT COLLECT ANY
27 PENALTIES OR INTEREST RELATED TO THE TAX IMPOSED UNDER THIS PART

1 FOR LIQUEFIED PETROLEUM GAS THAT, FROM JANUARY 1, 2014, UNTIL
2 JANUARY 1, 2016, IS ACQUIRED, SOLD, OFFERED FOR SALE, OR USED IN
3 THIS STATE FOR ANY PURPOSE WHATSOEVER. THE DEPARTMENT SHALL
4 REFUND ANY OF THESE PROHIBITED PENALTIES OR INTEREST THAT WERE
5 COLLECTED PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION (7).

6 **SECTION 6.** In Colorado Revised Statutes, 39-27-104, **amend**
7 (2) (a) (I) and (2) (b); and **add** (5) as follows:

8 **39-27-104. License and deposit - exception.** (2) (a) (I) (A) No
9 license to act as a distributor, refiner, or terminal operator of gasoline or
10 special fuel shall be issued until the applicant therefor has deposited with
11 the department of revenue evidence of a savings account, deposit, or
12 certificate of deposit meeting the requirements of section 11-35-101,
13 C.R.S., or a surety bond or a negotiable certificate of deposit issued by a
14 commercial bank doing business in this state acceptable to the executive
15 director of the department of revenue. When such deposit is a surety
16 bond, such bond shall be in the sum of approximately three times the
17 monthly tax liability estimated by the executive director to become due
18 by the licensee, ~~except that the amount of the surety bond shall never be~~
19 ~~less than twenty-five thousand dollars nor more than two hundred~~
20 ~~thousand dollars~~ AS OTHERWISE LIMITED IN SUB-SUBPARAGRAPH (B) OF
21 THIS SUBPARAGRAPH (I). If the deposit is a surety bond, it shall also be
22 conditioned upon compliance by the distributor or refiner with all
23 provisions of this part 1 and payment of all taxes and penalties to become
24 due and payable thereunder; if it is a negotiable certificate of deposit, it
25 shall be subject to forfeiture upon failure of the distributor or refiner to
26 comply with said provisions or to pay all said taxes and penalties. Upon
27 approval by the executive director of the application, a license to act as

1 a distributor or refiner shall be issued to the applicant.

2 (B) FOR GASOLINE AND SPECIAL FUEL OTHER THAN LIQUEFIED
3 PETROLEUM GAS, THE AMOUNT OF THE SURETY BOND MUST NEVER BE LESS
4 THAN TWENTY-FIVE THOUSAND DOLLARS NOR MORE THAN TWO HUNDRED
5 THOUSAND DOLLARS. FOR LIQUEFIED PETROLEUM GAS, THE AMOUNT OF
6 THE SURETY BOND MUST NEVER BE MORE THAN TWO HUNDRED THOUSAND
7 DOLLARS.

8 (b) If at any time after issuance of the license the executive
9 director of the department of revenue finds that the licensee is USING
10 LIQUEFIED PETROLEUM GAS OR acquiring gasoline or special fuel OTHER
11 THAN LIQUEFIED PETROLEUM GAS in a quantity that makes the licensee
12 liable for payment of excise tax, for the preceding and current month in
13 an amount greater than the amount of the deposit, the executive director
14 shall, by written notice to the licensee, demand an additional surety bond
15 or negotiable certificate of deposit to be deposited in an amount
16 determined necessary to secure payment of a greater amount of taxes, but
17 the aggregate amount of deposit shall in no event exceed two hundred
18 thousand dollars. If the licensee fails or refuses within ten days after
19 receipt of the written notice and demand to deposit an additional surety
20 bond or negotiable certificate of deposit in the amount determined, the
21 executive director may by written notice suspend or revoke the license
22 held by the licensee. The requirements of this section relative to making
23 a deposit shall apply only to distributors who are liable to the state for
24 payment of the tax imposed by section 39-27-102.

25 (5) (a) A PERSON WHO SELLS LIQUEFIED PETROLEUM GAS THAT IS
26 NOT USED AS SPECIAL FUEL DOES NOT ACT AS A DISTRIBUTOR AND DOES
27 NOT NEED TO BE LICENSED AS ONE UNDER THIS SECTION IF THE PERSON:

1 (I) SUBMITS AN AFFIDAVIT, SIGNED UNDER PENALTY OF PERJURY,
2 STATING THAT THE PERSON WILL NOT PLACE LIQUEFIED PETROLEUM GAS
3 IN A FUEL TANK AS PART OF ANY SALE AND THAT, IF THE PERSON DOES
4 PLACE THE FUEL IN A FUEL TANK, THE PERSON IS SUBJECT TO THE
5 PENALTIES SET FORTH IN THIS SECTION; AND

6 (II) CONSPICUOUSLY POSTS AT THE DISTRIBUTION POINT A SIGN
7 INDICATING THAT THE LIQUEFIED PETROLEUM GAS IS NOT FOR SALE FOR
8 USE IN MOTOR VEHICLES.

9 (b) THE DEPARTMENT OF REVENUE SHALL ESTABLISH THE FORM OF
10 THE AFFIDAVIT REQUIRED UNDER SUBPARAGRAPH (I) OF THIS SUBSECTION
11 (5).

12 **SECTION 7.** In Colorado Revised Statutes, 39-27-105, **amend**
13 (1) introductory portion, (1.3) (c), (1.3) (d), (2), (6) (a), and (7) (a); and
14 **add** (1.2) and (1.3) (f) as follows:

15 **39-27-105. Collection of tax on gasoline and special fuel.** (1) In
16 addition to the reporting requirements set forth in subsection (1.5) of this
17 section, every distributor, supplier, carrier, exporter, importer, blender,
18 refiner, or terminal operator of gasoline or special fuel OTHER THAN
19 LIQUEFIED PETROLEUM GAS on or before the twenty-sixth day of each
20 calendar month shall file with the executive director of the department of
21 revenue, on forms prescribed and furnished by the department, an
22 itemized statement made under penalty of perjury in the second degree,
23 showing the following:

24 (1.2) (a) EVERY DISTRIBUTOR, EXPORTER, OR IMPORTER OF
25 LIQUEFIED PETROLEUM GAS ON OR BEFORE THE TWENTY-SIXTH DAY OF
26 EACH CALENDAR MONTH SHALL FILE WITH THE EXECUTIVE DIRECTOR OF
27 THE DEPARTMENT OF REVENUE, ON FORMS PRESCRIBED AND FURNISHED BY

1 THE DEPARTMENT, A STATEMENT MADE UNDER PENALTY OF PERJURY IN
2 THE SECOND DEGREE, SHOWING THE FOLLOWING AGGREGATED AMOUNTS:

3

4 (I) THE NUMBER OF GALLONS OF LIQUEFIED PETROLEUM GAS THAT
5 THE DISTRIBUTOR PLACED IN A FUEL TANK AND THAT ARE SUBJECT TO THE
6 EXCISE TAX UNDER THIS PART 1;

7 (II) THE NUMBER OF GALLONS OF LIQUEFIED PETROLEUM GAS
8 THAT THE DISTRIBUTOR PLACED IN A FUEL TANK AND THAT ARE EXEMPT
9 FROM THE EXCISE TAX UNDER THIS PART 1;

10

11 (III) THE NUMBER OF GALLONS OF LIQUEFIED PETROLEUM GAS,
12 NOT PLACED IN A FUEL TANK, THAT ARE SOLD TO THE STATE OF
13 COLORADO, ANY OF ITS AGENCIES, ANY TOWN, CITY, COUNTY, CITY AND
14 COUNTY, SCHOOL DISTRICT OF THIS STATE, OR ANY OTHER POLITICAL
15 SUBDIVISION OF THIS STATE;

16

17 (IV) THE NUMBER OF GALLONS OF LIQUEFIED PETROLEUM GAS
18 SOLD TO A NONPROFIT TRANSIT AGENCY THAT ARE NOT PLACED IN A FUEL
19 TANK;

20

21 (V) THE NUMBER OF GALLONS OF LIQUEFIED PETROLEUM GAS
22 IMPORTED INTO THE STATE; AND

23 (VI) THE NUMBER OF GALLONS OF LIQUEFIED PETROLEUM GAS
24 EXPORTED FROM THIS STATE.

25 (b) SUBSECTION (1.5) OF THIS SECTION DOES NOT APPLY TO A
26 LICENSEE WITH RESPECT TO LIQUEFIED PETROLEUM GAS.

27 (1.3) (c) Distributors may aggregate figures stated in the reports

1 required by this part 1 for ~~liquefied petroleum gas~~ and natural gas for all
2 service stations or other facilities that dispense ~~liquefied petroleum gas~~ or
3 natural gas for sale to users and that are owned or operated by the same
4 distributor.

5 (d) Distributors may aggregate figures stated in the reports
6 required by this part 1 for ~~liquefied petroleum gas~~ and natural gas for
7 sales of such fuels to a particular class or type of individual user.
8 Distributors of ~~liquefied petroleum gas~~ and natural gas shall not be
9 required to separately report the amount of sales to individual users.

10 (f) DISTRIBUTORS OF LIQUEFIED PETROLEUM GAS SHALL
11 AGGREGATE FIGURES STATED IN THE REPORTS REQUIRED BY THIS PART 1.

12 (2) It is the duty of every distributor of gasoline or special fuel
13 OTHER THAN LIQUEFIED PETROLEUM GAS to compute the amount of tax
14 payable on all gasoline or special fuel acquired during the preceding
15 calendar month at the rate of tax per gallon imposed thereon in section
16 39-27-102 (1), and, in computing the amount of tax, the allowance of two
17 percent provided for in section 39-27-102 (1) shall be taken into account.
18 IT IS THE DUTY OF EVERY DISTRIBUTOR OF LIQUEFIED PETROLEUM GAS TO
19 COMPUTE THE AMOUNT OF TAX PAYABLE ON THE LIQUEFIED PETROLEUM
20 GAS PLACED IN A FUEL TANK OR USED TO PROPEL A CARGO TANK MOTOR
21 VEHICLE IN THE PRECEDING CALENDAR MONTH AT THE RATE OF TAX PER
22 GALLON IMPOSED THEREON. From the amount of tax so computed, the
23 distributor of gasoline or special fuel shall deduct one-half of one percent
24 to cover expenses of collection of the tax and bad debt losses and shall
25 pay the remaining balance to the department of revenue at the time of
26 filing the statement required to be filed by the provisions of this section.
27 A penalty of thirty dollars or ten percent of the tax due, plus one-half of

1 one percent per month from the date when due, not to exceed eighteen
2 percent in the aggregate, whichever is greater, shall be imposed for failure
3 to file any statement when due or pay the tax as provided in this section,
4 in addition to any other penalties provided by this part 1.

5 (6) (a) Every person who imports special fuel into this state for
6 use or sale in this state without a single trip permit or a valid importer's,
7 supplier's, or distributor's license is liable for and shall pay an excise tax
8 pursuant to section 39-27-102 (1) on all undyed special fuel OTHER THAN
9 LIQUEFIED PETROLEUM GAS such person imports for use or sale in this
10 state.

11 (7) (a) If any person other than a licensed distributor or supplier
12 physically diverts to one or more destinations within the boundaries of
13 this state all or any portion of a shipment of gasoline or special fuel that
14 is claimed as an export on the bill of lading or other affidavit, such person
15 shall report to the department of revenue the destinations within this state
16 to which the diverted gasoline or special fuel shipment was delivered
17 within one working day after such diversion. Such person shall be liable
18 for payment of the excise tax established in this part 1 on the amount of
19 gasoline or special fuel OTHER THAN LIQUEFIED PETROLEUM GAS diverted
20 to a destination within this state.

21 **SECTION 8.** In Colorado Revised Statutes, **amend** 39-27-109.7
22 as follows:

23 **39-27-109.7. Data collection services.** In order to track the
24 movement of gasoline or special fuel within this state and thereby
25 facilitate and expedite the collection of excise taxes imposed pursuant to
26 this part 1, the executive director of the department of revenue may enter
27 into a contract with one or more private entities for the provision of a

1 computer-based program to monitor and track the data that licensees are
2 required to report to the department pursuant to this part 1. Such
3 computer-based program shall be funded solely with moneys from the
4 highway users tax fund; except that, for the state fiscal year 2009-10, up
5 to thirty-seven thousand six hundred thirty dollars for the computer-based
6 program to monitor and track exempt dyed diesel fuel that is blended with
7 biodiesel fuel after withdrawal at a terminal rack or refinery rack pursuant
8 to section 39-27-102.5 (2) (a) may be funded by moneys received by the
9 governor's energy office created in section 24-38.5-101, C.R.S., as said
10 office existed prior to July 1, 2012, from the United States department of
11 energy. THE DEPARTMENT SHALL UPDATE THE COMPUTER-BASED
12 PROGRAM TO MONITOR AND TRACK THE DATA THAT LIQUEFIED
13 PETROLEUM LICENSEES ARE REQUIRED TO REPORT TO THE DEPARTMENT
14 PURSUANT TO THIS PART 1 BASED ON THE CHANGES IN HOUSE BILL
15 15-1228, ENACTED IN 2015.

16 **SECTION 9.** In Colorado Revised Statutes, 39-27-110, **add** (3)
17 (d) as follows:

18 **39-27-110. Inspection of records.** (3) (d) A SERIALLY
19 NUMBERED INVOICE FOR THE SALE OR TRANSFER OF LIQUEFIED
20 PETROLEUM GAS REQUIRED UNDER PARAGRAPHS (b) AND (c) OF THIS
21 SUBSECTION (3) DOES NOT HAVE TO BE PREPRINTED.

22 **SECTION 10. Act subject to petition - effective date.** Sections
23 2, 3, 4, 6, 7, and 9 of this act take effect January 1, 2016, and the
24 remainder of this act takes effect at 12:01 a.m. on the day following the
25 expiration of the ninety-day period after final adjournment of the general
26 assembly (August 5, 2015, if adjournment sine die is on May 6, 2015);
27 except that, if a referendum petition is filed pursuant to section 1 (3) of

1 article V of the state constitution against this act or an item, section, or
2 part of this act within such period, then the act, item, section, or part will
3 not take effect unless approved by the people at the general election to be
4 held in November 2016 and, in such case, will take effect on the date of
5 the official declaration of the vote thereon by the governor.