

Regulation (39-) 103.5.1(c).

The direct pay permit can only prevent the payment to vendors of local government sales taxes collected by the Colorado Department of Revenue under this provision. The permit provision has no effect for local self-collected sales taxes. Under House Bill 99-1005 that enacted this section, amendments to local government sales tax statutes at C.R.S. 29-2-106(3)(c)(II), C.R.S. 30-20-604.5(2)(a.5)(II), C.R.S. 32-9-119(2)(c)(II), C.R.S. 32-13-110(2)(b)(II), C.R.S. 32-14-114(2)(b)(II), and C.R.S. 32-15-110(2)(b)(II) enable the vendor to remove the sales tax upon purchase, and for these same sales taxes require the buyer to make direct payment of the local sales tax due. No sales tax which was applicable at point of purchase may be avoided, because this section requires the buyer to make the direct remittance of any tax so prevented at the point of purchase regardless of the existence of a local use tax. Thus municipal and county sales taxes collected by the Department, Local Improvement District sales tax, and RTD, CFD, BD, and FD sales taxes become the liability for the permit holder to pay directly to the Department of Revenue.

Regulation (39-) 26-103.5.6.

(a) The Director will issue a proposed order providing at least 60 days written notice of revocation of a Colorado Sales Tax Buyer's Direct Pay Permit issued under this section via first class mail to the address recorded with the Department for the permit holder. The proposed order shall contain reasons for the revocation. The Director will issue a denial of a request for Buyer's Direct Pay Permit in the same manner.

(b) Upon receipt of the revocation notice or denial notice, a permit holder or denied applicant will have thirty days from the date printed on the notice to file written objections signed by the taxpayer and to request an administrative hearing under the procedures of C.R.S. 39-21-103. The permit holder may, within 60 days of the notice, elect to proceed under written brief in lieu of hearing. The request for hearing must contain the permit holder name, address and permit account number (for revocations), a response to the reasons for revocation in the revocation notice and a summary statement of the grounds for appealing the revocation or denial.

(c) The administrative hearing will proceed under the guidelines of C.R.S. 39-21-103, and all hearings will be held in Department Office in Denver, Colorado. The hearing will be held before the revocation is effective, or, in lieu thereof, the effective date of revocation will be extended.

(d) Based on evidence presented at the hearing, or after the thirty days from mailing the proposed order of revocation, if no request for hearing has been filed by the taxpayer, the executive director or his delegate shall make a final determination of revocation within a reasonable time and send the taxpayer the final determination and, if ordered, a revocation notice by first-class mail as set forth in C.R.S. 39-21-105.5. Unless appeal is taken as provided in C.R.S. 39-21-105, the revocation shall be final thirty days after mailing of the final determination and revocation order.

(e) Appeal under C.R.S. 39-21-105. The taxpayer may appeal a revocation order or denial of application within thirty days of the mailing of such order to the district court of the county wherein the taxpayer has his principal place of business. If the taxpayer's principal place of business is not within the state, venue shall be in the district court in and for the city and county of Denver. The procedures of C.R.S. 39-21-105 shall apply to the revocation of permit or denial of permits authorized under C.R.S. 39-26-103.5.

(f) Immediate Revocation under C.R.S. 39-21-111. If the executive director of the department of revenue finds the collection of any state or state collected local tax will be jeopardized by the continuation of a Buyer's Direct Pay Permit during the period of appeal, the executive director, in his discretion, may declare the permit immediately terminated, and issue an immediate final determination revocation order. Revocation under this provision may be stayed if the taxpayer gives such security for payment as shall be satisfactory to the executive director.