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COLORADO GENERAL ASSEMBLY

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EMAIL: OLLS.GA@STATE.CO.US**MEMORANDUM 2e¹**

TO: Statutory Revision Committee

FROM: Esther van Mourik, Office of Legislative Legal Services

DATE: October 16, 2018

SUBJECT: Laws regarding payment of taxes by electronic funds transfer

Summary

Colorado taxpayers are authorized to pay certain state taxes by electronic funds transfers (EFT). An effort is underway to make consistent the laws and administrative rules that allow payment of taxes by EFT. There are two statutory changes necessary to continue this effort. First, an amendment to a severance tax statute is necessary to make EFT payments optional instead of mandatory so that all such EFT statutes in the tax code remain consistent. Second, an amendment to a sales tax statute is necessary to allow the Department of Revenue (Department) to require EFTs to be made at a different time of day on the specified deadline than non-EFT payments.

Analysis

Over the years, statutes were enacted that either required or allowed tax remittances by electronic funds transfers and provided the Department with

¹ This legal memorandum was prepared by the Office of Legislative Legal Services (OLLS) in the course of its statutory duty to provide staff assistance to the Statutory Revision Committee (SRC). It does not represent an official legal position of the OLLS, SRC, General Assembly, or the state of Colorado, and is not binding on the members of the SRC. This memorandum is intended for use in the legislative process and as information to assist the SRC in the performance of its legislative duties.

Statutory Charge²

The Statutory Revision Committee is explicitly tasked with examining the statutes of the state "for the purpose of discovering defects and anachronisms in the law . . . and recommending needed reforms"; thus, amending sections 39-29-111 (1)(b) and 39-26-105.5, C.R.S., appears to fall squarely within that prong of the Committee's charge. Such amendments will both address a defect and bring the laws regarding payment of taxes by EFT into harmony with modern conditions.

Proposed Bill

The attached bill draft amends sections 39-29-111 (1)(b) and 39-26-105.5, C.R.S. as described in this memorandum.

² The Statutory Revision Committee is charged with "[making] an ongoing examination of the statutes of the state and current judicial decisions for the purpose of discovering defects and anachronisms in the law and recommending needed reforms" and recommending "legislation annually to effect such changes in the law as it deems necessary in order to modify or eliminate antiquated, redundant, or contradictory rules of law and to bring the law of this state into harmony with modern conditions." § 2-3-902 (1), C.R.S. In addition, the Committee "shall propose legislation only to streamline, reduce, or repeal provisions of the Colorado Revised Statutes." § 2-3-902 (3), C.R.S.