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February 18, 2020

The Honorable Jena Griswold
Colorado Secretary of State
1700 Broadway, Suite 200
Denver, Colorado 80290

RE: Correction Request - Tracking No. 2020-00032
1 Code of Colorado Regulations 201-5

Dear Secretary of State Griswold:

On January 30, 2020, the Colorado Department of Revenue, Taxation Division, submitted a correction request, Tracking Number 2020-00032. The correction request makes several types of changes throughout 1 Code of Colorado Regulations 201-5. These changes include the following:

- **“Regulation” to “Rule”:** 1 CCR 201-5 uses both “regulation” and “rule” when referring to its various provisions. The correction request standardizes the practice by adopting “rule” for current provisions (e.g., “Special Regulation 1” becomes “Special Rule 1”). The correction request also changes in-text references from “regulation” to “rule” (e.g., “These Special Regulations” becomes “These Special Rules”).
- **Standardizing title formatting:**
 - Many of the provisions in 1 CCR 201-5 use “SR-[#]” in their title. The correction request changes this to “Special Rule [#].” (e.g., “SR-1” becomes “Special Rule 1.”).
 - The spacing between rule numbers and the remainder of the rule title is inconsistent in 1 CCR 201-5. The correction request standardizes the practice of using two spaces after the period following the rule number.
 - The capitalization of rule titles and other headings in 1 CCR 201-5 is inconsistent. The correction request standardizes the Taxation Division practice of using initial capitalization instead (e.g., “ADVERTISING AGENCIES” becomes “Advertising Agencies”).
 - The punctuation surrounding section numbers in 1 CCR 201-5 is inconsistent. The correction request standardizes the practice of using parentheses (e.g., “1.” becomes “(1)”).
 - The format of second-, third-, and fourth-level section headings is inconsistent. The correction request standardizes the practice of italicizing these headings.

- Some section headings end with colons instead of periods. The correction request standardizes the practice of using a period (e.g., “Application of Sales Tax:” changed to “Application of Sales Tax.”).
- Most first-level headings are in bolded font. The correction request standardizes the practice so all first-level section headings are in bold font.
- **Miscellaneous changes:**
 - In SR 7, the phrase “[Repealed 03/01/2010 per House Bill 10-1192]” was deleted. The same information appears in the rule title.
 - In SR 7.5, the word “[Repealed]” was deleted. There are no substantive provisions in the rule.
 - In Special Rule 9, the phrase “SR-2, Agricultural Producers” has been changed to “Special Rule 2.”
 - In Special Rule 10.1, the notation “2002” that appeared in the title has been removed.
 - In Special Rule 19, the citation to “Rule 39-26-102.21” was changed to “Rule 39-26-102(21).” This change is being done to standardize the existing formatting across rules and will be accompanied by a change in 1 CCR 201-4 to the rule.
 - In Special Rule 30, the correction request changes “Special Regulation for ‘Contractors’” to “Special Rule 10 ‘Contractors.’”
 - In Special Rule 34.5, the correction request changes “of the Service Enterprises in the Special Regulation” to “of the Services Enterprises in Special Rule 40.” Special Rule 40 is the rule for service enterprises.
 - In Special Rule 35, the correction request changes “given in the Special Regulations for ‘Service Enterprises’” to “given in Special Rule 40 ‘Service Enterprises.’” Special Rule 40 is the rule for service enterprises.
- **Additional corrections:** In reviewing the correction request, I have identified the following additional issues that should be corrected.
 - In Special Rule 3.1, the correction request changes “Sales and Use Tax Special Regulations, ‘Gifts, Premiums and Prizes’” to “Special Rule 31, Gifts, Premiums and Prizes.” Special Rule 31 is a special rule for morticians. Special Rule 21, however, is a special rule for gifts, premiums, and prizes. Thus, it appears that the reference to Special Rule 31 is a typographic error. I have discussed this issue with the Taxation Division, and they have requested that the reference to “Special Rule 31” be changed to “Special Rule 21.” Because the intent of the language both before and after the correction is to refer to the special rule that addresses gifts, premiums, and prizes, I agree that Special Rule 21 is the correct citation.
 - In Special Rule 40, the phrase “not subject to tax even thought” should be changed to “not subject to tax even though.” I have discussed this

change with the Taxation Division, and it agrees that this correction should be made.

- In Special Rule 40, “since its was” should be changed to “since it was.” I have discussed this change with the Taxation Division, and it agrees that this correction should be made.

These corrections are all non-substantive in nature and are submitted to you so that they may be published in the Colorado Code of Regulations pursuant to section 24-4-103, C.R.S., of the State Administrative Procedure Act.

The correction request also seeks to change the phrase “premiums or sales” to “premiums are sales” in Special Rule 17. This change appears to be more than non-substantive. I have discussed this issue with the Taxation Division and understand that it does not wish for this change to be implemented.

Sincerely,

/s/ Russell D. Johnson

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cc: Erika Hoxeng, Tax Policy Analyst
Colorado Department of Revenue