

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 26-0692.02 Jed Franklin x5484

SENATE BILL 26-128

SENATE SPONSORSHIP

Snyder and Kirkmeyer, Bright, Catlin, Coleman, Frizell, Lindstedt, Liston, Marchman, Mullica, Pelton B., Pelton R., Roberts, Simpson

HOUSE SPONSORSHIP

Lukens,

Senate Committees
Finance

House Committees

A BILL FOR AN ACT

101 **CONCERNING A SALES AND USE TAXATION EXEMPTION ON CERTAIN**
102 **FEES CHARGED BY DESTINATION MANAGEMENT COMPANIES.**

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://leg.colorado.gov>.)

Destination management companies (DMCs) are companies that have specialized local knowledge, expertise, and resources and provide or arrange events, tours, transportation, and other logistics for events (destination management services). Currently, DMCs are charged sales and use tax on goods and services that they purchase in connection with providing destination management services in Colorado. The bill exempts

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

SENATE
3rd Reading Unamended
March 25, 2026

SENATE
Amended 2nd Reading
March 24, 2026

a DMC from being assessed sales and use tax on fees charged by the DMC for the provision of destination management services to clients.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 39-26-701 as
3 follows:

4 **39-26-701. Definitions.**

5 In addition to the definitions in section 39-26-102, as used in this
6 part 7, unless the context otherwise requires:

7 (1) ~~"Storage" or "storing" means any keeping or retention of, or~~
8 ~~exercise of dominion or control over, tangible personal property in this~~
9 ~~state.~~ "DESTINATION MANAGEMENT COMPANY" MEANS A PERSON WITH
10 SPECIALIZED LOCAL KNOWLEDGE, EXPERTISE, AND RESOURCES THAT:

11 (a) IS PRIMARILY ENGAGED IN THE BUSINESS OF PROVIDING OR
12 ARRANGING FOR THE PROVISION OF AT LEAST SIX DESTINATION
13 MANAGEMENT SERVICES IN COLORADO;

14 (b) DOES NOT CLAIM A RETAILER SALES OR USE TAX EXEMPTION
15 FOR ANY DESTINATION MANAGEMENT SERVICES OR PRODUCTS OR
16 SERVICES THAT SUPPORT DESTINATION MANAGEMENT SERVICES;

17 (c) HAS AT LEAST THREE FULL-TIME EMPLOYEES; AND

18 (d) DOES NOT PREPARE OR SERVE BEVERAGES, MEALS, OR OTHER
19 FOOD PRODUCTS AND DOES NOT OWN OR OPERATE A VENUE AT WHICH
20 DESTINATION MANAGEMENT SERVICES ARE PROVIDED, EITHER DIRECTLY
21 OR THROUGH A FINANCIAL INTEREST IN ANOTHER PERSON.

22 (2) "DESTINATION MANAGEMENT FEES" MEANS ALL FEES CHARGED
23 TO A CLIENT BY A DESTINATION MANAGEMENT COMPANY FOR
24 DESTINATION MANAGEMENT SERVICES, WHETHER THE CLIENT PAYS THE
25 FEES IN A LUMP SUM OR ON AN ITEMIZED PER-SERVICE BASIS, FOR

1 DESTINATION MANAGEMENT SERVICES THAT THE DESTINATION
2 MANAGEMENT COMPANY PROVIDES OR ARRANGES TO PROVIDE DIRECTLY
3 TO THE CLIENT IN THE COURSE OF CREATING AND PLANNING AN EVENT ON
4 BEHALF OF THE CLIENT.

5 (3) "DESTINATION MANAGEMENT SERVICES" MEANS SERVICES
6 PROVIDED BY A DESTINATION MANAGEMENT COMPANY INCLUDING:

- 7 (a) BOOKING AND MANAGING ENTERTAINERS;
- 8 (b) COORDINATING TOURS OR RECREATIONAL ACTIVITIES;
- 9 (c) ORGANIZING MEETING, CONFERENCE, OR EVENT REGISTRATION;
- 10 (d) STAFFING MEETINGS, CONFERENCES, TRANSPORTATION, OR
11 OTHER EVENTS;
- 12 (e) EVENT MANAGEMENT;
- 13 (f) CATERING OR MEAL COORDINATION;
- 14 (g) PROVIDING SHUTTLE SYSTEM SERVICES, INCLUDING VEHICLE
15 STAGING, RADIO COMMUNICATIONS, SIGNAGE, AND ROUTING SERVICES; OR
- 16 (h) PROVIDING AIRPORT MEET-AND-GREET SERVICES, INCLUDING
17 THE PROVISION OF AIRPORT PERMITS, MANIFEST MANAGEMENT SERVICES,
18 PORTERAGE, AND PASSENGER GREETING SERVICES.

19 ==

20 (4) "STORAGE" OR "STORING" MEANS ANY KEEPING OR RETENTION
21 OF, OR EXERCISE OF DOMINION OR CONTROL OVER, TANGIBLE PERSONAL
22 PROPERTY IN THE STATE.

23 **SECTION 2.** In Colorado Revised Statutes, **add** 39-26-735 as
24 follows:

25 **39-26-735. Destination management fees - tax preference**
26 **performance statement - legislative declaration - repeal.**

27 (1) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH

1 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
2 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
3 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND
4 DECLARES THAT:

5 (a) THE GENERAL LEGISLATIVE PURPOSE OF THE EXEMPTION
6 ALLOWED BY THIS SECTION IS TO INCENTIVIZE DESTINATION MANAGEMENT
7 COMPANIES TO BRING DESTINATION MANAGEMENT BUSINESS TO THE
8 STATE;

9 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE EXEMPTION
10 ALLOWED BY THIS SECTION IS TO PREVENT THE IMPOSITION OF SALES AND
11 USE TAX ON THE DESTINATION MANAGEMENT COMPANY'S SUBSEQUENT
12 PROVISION OF DESTINATION MANAGEMENT SERVICES TO A CLIENT OF THE
13 DESTINATION MANAGEMENT COMPANY; AND

14 (c) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
15 MEASURE THE EFFECTIVENESS OF THE EXEMPTION ALLOWED BY THIS
16 SECTION BASED ON THE STATEWIDE ECONOMIC IMPACT OF DESTINATION
17 MANAGEMENT COMPANIES.

18 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, BEGINNING
19 JULY 1, 2027, AND UNTIL DECEMBER 31, 2032, DESTINATION
20 MANAGEMENT FEES ARE NOT SUBJECT TO TAXATION PURSUANT TO PART
21 1 OR PART 2 OF THIS ARTICLE 26.

22 (3) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2035.

23 **SECTION 3. Act subject to petition - effective date.** This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly (August
26 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
27 referendum petition is filed pursuant to section 1 (3) of article V of the

1 state constitution against this act or an item, section, or part of this act
2 within such period, then the act, item, section, or part will not take effect
3 unless approved by the people at the general election to be held in
4 November 2026 and, in such case, will take effect on the date of the
5 official declaration of the vote thereon by the governor.