

CHAPTER 195

TAXATION

HOUSE BILL 25-1311

BY REPRESENTATIVE(S) McCluskie and Soper, Bacon, Boesenecker, Clifford, Duran, Woodrow, Zokaie, McCormick, Smith;
also SENATOR(S) Roberts, Amabile, Bridges, Kipp, Snyder, Weissman.

AN ACT

**CONCERNING THE DEDUCTION FOR FREE BETS ALLOWED FOR THE PURPOSE OF CALCULATING NET
SPORTS BETTING PROCEEDS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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

SECTION 1. In Colorado Revised Statutes, 44-30-1501, **amend** (7)(c)(I) introductory portion, (7)(c)(I)(C), and (7)(c)(I)(D); and **add** (7)(c)(I.5) as follows:

44-30-1501. Definitions - rules. Definitions applicable to this part 15 also appear in section 44-30-103 and article 1 of this title 44. As used in this part 15, unless the context otherwise requires:

(7) (c) (I) On and after January 1, 2023, THROUGH JUNE 30, 2026, when determining the free bets deduction used for calculating "net sports betting proceeds" each month, as described in subsection (7)(a) of this section, a sports betting operator or internet sports betting operator shall include only a portion of the total free bets placed by players with the sports betting operator or internet sports betting operator, as follows:

(C) On and after July 1, 2025, through ~~June 30, 2026~~ DECEMBER 31, 2025, no more than two percent of the total amount of all bets placed by players with that sports betting operator or internet sports betting operator each month; and

(D) On and after ~~July 1, 2026~~ JANUARY 1, 2026, THROUGH JUNE 30, 2026, no more than one ~~and three-quarters~~ percent of the total amount of all bets placed by players with that sports betting operator or internet sports betting operator each month.

(I.5) ON AND AFTER JULY 1, 2026, A SPORTS BETTING OPERATOR OR INTERNET

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

SPORTS BETTING OPERATOR SHALL NOT DEDUCT ANY FREE BETS PLACED BY PLAYERS WITH THE SPORTS BETTING OPERATOR OR INTERNET SPORTS BETTING OPERATOR.

SECTION 2. Appropriation. (1) For the 2025-26 state fiscal year, \$17,135 is appropriated to the department of revenue. This appropriation is from the sports betting fund created in section 44-30-1509 (1)(a), C.R.S. To implement this act, the department may use this appropriation as follows:

- (a) \$13,906 for tax administration IT system (GenTax) support;
- (b) \$1,024 for use by the taxation business group for personal services related to taxation services; and
- (c) \$2,205 for use by the executive director's office for personal services related to administration and support.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 15, 2025