



# COLORADO

Department of Revenue

Taxation Division

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## AGENDA

### **Workgroup on Mainframe Computer Access**

February 20, 2025, at 10:00 a.m.

Call-in number: 1 (669) 900-6833

Meeting ID: 883 5064 8051

The Colorado Department of Revenue, Division of Taxation, is convening a workgroup to discuss the promulgation of a sales tax rule regarding the sales tax treatment of mainframe computer access.

In addition to other matters the Department may open for discussion, the following items are scheduled for consideration:

- Welcome and Introductions
  - [House Bill 21-1312](#)
    - Clarified that amounts charged for mainframe computer access are sales and purchases of tangible personal property subject to the state sales tax.
    - Established definition of “mainframe computer access” in section 39-26-102(5.7), C.R.S.
  - For Colorado sales tax purposes, charges for mainframe computer access are considered to be the lease or rental of computer equipment for the purpose of storing or processing data.
- Topics for Discussion. The Department intends to seek input on specific topics, including those listed below, but encourages attendees to suggest additional topics for discussion.
  - **[Draft Special Rule 46. Mainframe Computer Access](#)**
    - Paragraph (2) defines various relevant terms, including “computer equipment” used to provide mainframe computer access and elaborates on the statutory definition of “mainframe computer access.”
    - Paragraph (3) describes the conditions under which a short-term contract for mainframe computer access is taxable or tax-exempt.

- Paragraph (4) provides guidance regarding the sourcing of mainframe computer access charges under the sourcing rules for leases.
  - Paragraph (5) prescribes the tax treatment for mixed transactions that include mainframe computer access and either electronic computer software delivery or the use of computer software hosted by an application service provider.
  - Paragraph (6) explains the tax treatment of wholesale sales of mainframe computer access.
  - Paragraphs (7) and (8) address purchases of computer equipment and electricity to provide mainframe computer access.
- Other comments or issues for consideration
  - Adjourn

We would appreciate your feedback to help us measure and improve the success of the rulemaking program. If you participate in the rulemaking process, we invite you to complete a [short survey](#). Follow the link and choose the "I participated in the rulemaking process (written comments, workgroup meeting, or hearing)" option.