

Sales/Use/Indirect:

Colorado: New Law Sets Confidentiality Standards for Localities Using Third-Party Auditors

S.B. 46, signed by gov. 3/20/25. Effective July 1, 2025, new state law provides for uniform confidentiality standards of taxpayer information used or obtained for a sales and use tax investigation performed by a third-party auditor on behalf of a Colorado local taxing jurisdiction – generally prohibiting such auditors from divulging any taxpayer information related to a sales and use tax audit except under certain specified circumstances. The legislation defines a “third-party auditor” as a private individual or entity that is *not* an official, employee, hearing officer, or attorney, or otherwise a public agent of a Colorado local taxing jurisdiction that conducts a sales or use tax investigation of a taxpayer on behalf of a Colorado local taxing jurisdiction – providing that such third-party auditors potentially may include an official, employee, or agent of the Colorado Department of Revenue or Multistate Tax Commission. Please contact us with any questions.

URL: <https://leg.colorado.gov/bills/sb25-046>

— Jeff Maxwell (Denver)
Senior Manager
Deloitte Tax LLP
jemaxwell@deloitte.com

Metisse Lutz (Denver)
Senior Manager
Deloitte Tax LLP
mlutz@deloitte.com

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