

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

ENGROSSED

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

LLS NO. 10-0736.01 Jason Gelender

HOUSE BILL 10-1190

HOUSE SPONSORSHIP

Pommer,

SENATE SPONSORSHIP

Heath,

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE SUSPENSION OF THE EXEMPTION FROM THE STATE**
102 **SALES AND USE TAXES FOR FUELS USED FOR INDUSTRIAL**
103 **PURPOSES, AND MAKING AN APPROPRIATION THEREFOR.**

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://www.leg.state.co.us/billsummaries>.)

For the period commencing March 1, 2010, and ending June 30, 2012, the bill suspends the exemption from the state sales and use taxes for the storage, use, or consumption of electricity, coal, coke, fuel oil, steam, nuclear fuel, or gas for use in processing, manufacturing, mining,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
February 1, 2010

refining, irrigation, building construction, telegraph, telephone, and radio communication, street and railroad transportation services, and all industrial uses and makes conforming amendments to prevent the suspension of the exemption from affecting county, municipal, and other local government or political subdivision sales and use taxes.

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

2 **SECTION 1.** 39-26-102 (21), Colorado Revised Statutes, is
3 amended to read:

4 **39-26-102. Definitions.** As used in this article, unless the context
5 otherwise requires:

6 (21) [REDACTED] Sales and purchases of electricity, coal, gas, fuel oil,
7 steam, coke, or nuclear fuel, for use in processing, manufacturing,
8 mining, refining, irrigation, construction, telegraph, telephone, and radio
9 communication, street and railroad transportation services, and all
10 industrial uses, and newsprint and printer's ink for use by publishers of
11 newspapers and commercial printers shall be deemed to be wholesale
12 sales and shall be exempt from taxation under this part 1; EXCEPT THAT
13 SALES AND PURCHASES OF ELECTRICITY, COAL, GAS, FUEL OIL, STEAM,
14 COKE, OR NUCLEAR FUEL, NOT INCLUDING FARM FUEL, FOR USE IN
15 PROCESSING, MANUFACTURING, MINING, REFINING, IRRIGATION,
16 CONSTRUCTION, TELEGRAPH, TELEPHONE, AND RADIO COMMUNICATION,
17 STREET [REDACTED] TRANSPORTATION SERVICES, AND ALL INDUSTRIAL USES
18 SHALL NOT BE DEEMED TO BE WHOLESALE SALES AND SHALL NOT BE
19 EXEMPT FROM STATE SALES TAXATION FOR THE PERIOD COMMENCING
20 MARCH 1, 2010, AND ENDING JUNE 30, 2012.

21

22 **SECTION 2.** 39-26-715 (2) (b), Colorado Revised Statutes, is
23 amended to read:

1 **39-26-715. Fuel and oil.** (2) The following shall be exempt from
2 taxation under the provisions of part 2 of this article:

3 (b) The storage, use, or consumption of electricity, coal, coke,
4 fuel oil, steam, nuclear fuel, or gas for use in processing, manufacturing,
5 mining, refining, irrigation, building construction, telegraph, telephone,
6 and radio communication, street and railroad transportation services, and
7 all industrial uses; EXCEPT THAT SUCH STORAGE, USE, OR CONSUMPTION
8 SHALL NOT BE DEEMED TO BE WHOLESALE SALES AND SHALL NOT BE
9 EXEMPT FROM STATE USE TAXATION FOR THE PERIOD COMMENCING
10 MARCH 1, 2010, AND ENDING JUNE 30, 2012.

11
12 **SECTION 3.** Part 1 of article 21 of title 39, Colorado Revised
13 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
14 read:

15 **39-21-122. Revenue impact of 2010 tax legislation - tracking**
16 **by department.** THE DEPARTMENT OF REVENUE SHALL ACCOUNT FOR ALL
17 REVENUE ATTRIBUTABLE TO THE ENACTMENT OF HOUSE BILL 10-1190,
18 ENACTED IN 2010, AND SHALL, TO THE EXTENT SUCH INFORMATION IS
19 AVAILABLE, MAKE QUARTERLY REPORTS TO THE GENERAL ASSEMBLY
20 REGARDING THE QUARTERLY AND CUMULATIVE NET REVENUE GAIN TO THE
21 STATE RESULTING FROM THE ENACTMENT OF SAID BILL.

22 **SECTION 4.** Part 1 of article 26 of title 39, Colorado Revised
23 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
24 read:

25 **39-26-102.4. Inclusion of fuels used for industrial purposes in**
26 **state sales tax base - use revenues generated for**
27 **education.** NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE

1 GENERAL ASSEMBLY SHALL APPROPRIATE AT LEAST FORTY PERCENT OF
2 THE AMOUNT OF ANY INCREASE IN NET STATE SALES TAX REVENUES
3 RESULTING FROM THE IMPOSITION OF TAXATION ON ITEMS PREVIOUSLY
4 EXEMPT FROM TAXATION BY HOUSE BILL 10-1190, ENACTED IN 2010, TO
5 INCLUDE STANDARDIZED SOFTWARE FOR THE PURPOSE OF FUNDING
6 PRESCHOOL THROUGH TWELFTH GRADE PUBLIC EDUCATION. SUCH
7 FUNDING SHALL SUPPLEMENT AND NOT SUPPLANT ANY OTHER MONEYS
8 USED FOR SAID PURPOSE.

9 SECTION 5. Part 1 of article 75 of title 24, Colorado Revised
10 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
11 read:

12 24-75-113. 2010 bills to increase state revenue - prohibition on
13 hiring of new state employees. NO MONEYS DERIVED FROM THE
14 INCREASE IN STATE REVENUES RESULTING FROM THE PASSAGE OF HOUSE
15 BILL 10-1190, ENACTED IN 2010, SHALL BE APPROPRIATED FOR THE
16 PURPOSE OF FUNDING ADDITIONAL FULL TIME EQUIVALENT STATE
17 EMPLOYEES.

18 SECTION 6. Appropriation. In addition to any other
19 appropriation, there is hereby appropriated, out of any moneys in the
20 general fund not otherwise appropriated, to the department of revenue, for
21 allocation to the taxation business group, taxation and compliance
22 division, for the fiscal year beginning July 1, 2009, the sum of ninety-four
23 thousand three hundred twenty-two dollars (\$94,322) and 0.9 FTE, or so
24 much thereof as may be necessary, for the implementation of this act.

25 SECTION 7. Safety clause. The general assembly hereby finds,
26 determines, and declares that this act is necessary for the immediate
27 preservation of the public peace, health, and safety.