

**Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 14-0619.02 Jason Gelender x4330

**HOUSE BILL 14-1159**

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**HOUSE SPONSORSHIP**

**Young and Dore,** Fischer, Lebsock, McLachlan, Mitsch Bush, Vigil

**SENATE SPONSORSHIP**

**Schwartz and Crowder,**

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**House Committees**

Agriculture, Livestock, & Natural Resources  
Finance  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING A STATE SALES AND USE TAX EXEMPTION FOR**  
102 **COMPONENTS USED IN BIOGAS PRODUCTION SYSTEMS.**

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**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/bills summaries>.)*

The bill exempts from state sales and use tax components used in biogas production systems. Local governments that currently impose sales or use tax on such components may either continue to do so or may exempt them from their sales or use taxes.

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.*

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-26-724, **amend**  
3 (2) (a); and **add** (1) (c) and (2) (a.5) as follows:

4 **39-26-724. Components used to produce energy from a**  
5 **renewable energy source - limits - exemption claimed as refund -**  
6 **definitions - repeal.** (1) (c) (I) EXCEPT AS OTHERWISE PROVIDED IN  
7 SUBPARAGRAPH (II) OF THIS PARAGRAPH (c), ON AND AFTER THE  
8 EFFECTIVE DATE OF THIS PARAGRAPH (c), ALL SALES, STORAGE, AND USE  
9 OF COMPONENTS USED IN BIOGAS PRODUCTION SYSTEMS FOR THE  
10 PRODUCTION OF BIOGAS FOR SALE TO A POWER GENERATOR, AS A  
11 TRANSPORTATION FUEL, OR AS RENEWABLE NATURAL GAS ARE EXEMPT  
12 FROM TAXATION UNDER PARTS 1 AND 2 OF THIS ARTICLE.

13 (II) (A) THE MAXIMUM AMOUNT OF THE EXEMPTION ALLOWED  
14 UNDER THIS PARAGRAPH (c) FOR COMPONENTS OF ANY SINGLE BIOGAS  
15 PRODUCTION SYSTEM OR GROUP OF BIOGAS PRODUCTION SYSTEMS THAT  
16 ARE INTEGRATED INTO A SINGLE BIOGAS PRODUCTION FACILITY IS  
17 SEVENTY-FIVE THOUSAND DOLLARS. THE MAXIMUM AGGREGATE AMOUNT  
18 OF ALL EXEMPTIONS ALLOWED UNDER THIS PARAGRAPH (c) FOR EACH  
19 FISCAL YEAR IS THREE HUNDRED THOUSAND DOLLARS.

20 (B) THE EXEMPTION ALLOWED UNDER THIS PARAGRAPH (c) IS NOT  
21 ALLOWED AT THE POINT OF SALE OR USE, BUT MAY INSTEAD BE CLAIMED  
22 BY A TAXPAYER ANNUALLY AS A REFUND OF SALES OR USE TAXES PAID. TO  
23 CLAIM A REFUND, A TAXPAYER MUST SUBMIT A REFUND APPLICATION TO  
24 THE DEPARTMENT OF REVENUE ON A FORM PROVIDED BY THE  
25 DEPARTMENT NO EARLIER THAN JULY 1 AND NO LATER THAN OCTOBER  
26 1 OF THE FISCAL YEAR FOLLOWING THE FISCAL YEAR FOR WHICH THE

1 REFUND IS CLAIMED. THE APPLICATION MUST INCLUDE PROOF OF  
2 PAYMENT BY THE TAXPAYER IN THE IMMEDIATELY PRECEDING FISCAL  
3 YEAR OF STATE SALES AND USE TAXES TO WHICH THE EXEMPTION APPLIES  
4 AND ANY ADDITIONAL INFORMATION THAT THE DEPARTMENT MAY  
5 REQUIRE BY RULES PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF  
6 TITLE 24, C.R.S. IF THE SUM OF ALL REFUNDS TIMELY CLAIMED FOR A  
7 FISCAL YEAR EXCEEDS THE ANNUAL LIMIT SPECIFIED IN  
8 SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (II), THE DEPARTMENT  
9 SHALL REDUCE ALL REFUNDS ON A PRO RATA BASIS. NO REFUND IS  
10 ALLOWED TO A TAXPAYER WHO FAILS TO COMPLY WITH THIS  
11 SUB-SUBPARAGRAPH (B).

12 (III) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JULY 1, 2019.

13 (2) As used in this section:

14 (a) (I) "Components used in solar thermal systems" shall include,  
15 but shall not be limited to:

16 (I) Solar collectors, including flat-plate collectors, evacuated tube  
17 collectors, solar air collectors, and concentrating solar thermal collectors;

18 (II) Tanks for the storage of gases or liquids that have been heated  
19 or cooled by solar-generated energy;

20 (III) Pumps, impellers, and fans for the circulation of gases or  
21 liquids that have been heated or cooled by solar-generated energy;

22 (IV) Heat exchangers used to transfer solar-generated energy;

23 (V) Support structures, racks, and foundations for any components  
24 listed in subparagraphs (I) to (IV) of this paragraph (a); and

25 (VI) Any other system components such as piping, valves, gauges,  
26 fittings, insulation, and controls for any components listed in  
27 subparagraphs (I) to (IV) of this paragraph (a). "COMPONENTS USED IN

1 BIOGAS PRODUCTION SYSTEMS" INCLUDES ALL TANGIBLE PERSONAL  
2 PROPERTY USED IN CONNECTION WITH THE PRODUCTION OF BIOGAS AND  
3 RELATED SOLID BY-PRODUCTS AND LIQUID BY-PRODUCTS, INCLUDING BUT  
4 NOT LIMITED TO:

5 (A) ANAEROBIC DIGESTION SYSTEMS, INCLUDING BUT NOT LIMITED  
6 TO TRUCK WEIGHING EQUIPMENT, TRUCK UNLOADING EQUIPMENT,  
7 MANURE RECEIVING PITS, SUBSTRATE STORAGE TANKS, SUBSTRATE  
8 RECEIVING PITS, DOSING TANKS, ANAEROBIC DIGESTER TANKS, NATURAL  
9 GAS-FIRED BOILERS, BLOWERS, PUMPS, ELECTRICAL EQUIPMENT, CONTROL  
10 SYSTEMS, PIPING, VALVES, AND RELATED TANGIBLE PERSONAL PROPERTY;

11 (B) BIOGAS UPGRADE SYSTEMS, INCLUDING BUT NOT LIMITED TO  
12 PRESSURIZED GAS PROCESSING TECHNOLOGY SYSTEMS, OXYGEN REMOVAL  
13 GAS SYSTEMS, BOOSTER COMPRESSORS, GROUND FLARES, DRYERS, PUMPS,  
14 ELECTRICAL EQUIPMENT, CONTROL SYSTEMS, GAS PIPELINE  
15 INTERCONNECTION EQUIPMENT, PIPING, VALVES, HYDROGEN SULFIDE GAS  
16 CLEAN UP SYSTEMS, AND RELATED TANGIBLE PERSONAL PROPERTY; AND

17 (C) DIGESTED SOLIDS SYSTEMS, INCLUDING BUT NOT LIMITED TO  
18 HOLDING PITS, CENTRIFUGES, OTHER DEWATERING EQUIPMENT, PUMPS,  
19 ELECTRICAL EQUIPMENT, CONTROL SYSTEMS, CONVEYORS, WATER  
20 STORAGE PONDS AND RELATED EQUIPMENT, PIPING, VALVES, AND RELATED  
21 TANGIBLE PERSONAL PROPERTY.

22 (II) THIS PARAGRAPH (a) IS REPEALED, EFFECTIVE JULY 1, 2019.

23 (a.5) "COMPONENTS USED IN SOLAR THERMAL SYSTEMS" INCLUDE,  
24 BUT ARE NOT LIMITED TO:

25 (I) SOLAR COLLECTORS, INCLUDING FLAT-PLATE COLLECTORS,  
26 EVACUATED TUBE COLLECTORS, SOLAR AIR COLLECTORS, AND  
27 CONCENTRATING SOLAR THERMAL COLLECTORS;

1 (II) TANKS FOR THE STORAGE OF GASES OR LIQUIDS THAT HAVE  
2 BEEN HEATED OR COOLED BY SOLAR-GENERATED ENERGY;

3 (III) PUMPS, IMPELLERS, AND FANS FOR THE CIRCULATION OF  
4 GASES OR LIQUIDS THAT HAVE BEEN HEATED OR COOLED BY  
5 SOLAR-GENERATED ENERGY;

6 (IV) HEAT EXCHANGERS USED TO TRANSFER SOLAR-GENERATED  
7 ENERGY;

8 (V) SUPPORT STRUCTURES, RACKS, AND FOUNDATIONS FOR ANY  
9 COMPONENTS LISTED IN SUBPARAGRAPHS (I) TO (IV) OF THIS PARAGRAPH  
10 (a.5); AND

11 (VI) ANY OTHER SYSTEM COMPONENTS SUCH AS PIPING, VALVES,  
12 GAUGES, FITTINGS, INSULATION, AND CONTROLS FOR ANY COMPONENTS  
13 LISTED IN SUBPARAGRAPHS (I) TO (IV) OF THIS PARAGRAPH (a.5).

14 **SECTION 2.** In Colorado Revised Statutes, 29-2-105, **add** (1) (d)  
15 (I) (M) as follows:

16 **29-2-105. Contents of sales tax ordinances and proposals -**  
17 **repeal.** (1) The sales tax ordinance or proposal of any incorporated town,  
18 city, or county adopted pursuant to this article shall be imposed on the  
19 sale of tangible personal property at retail or the furnishing of services,  
20 as provided in paragraph (d) of this subsection (1). Any countywide or  
21 incorporated town or city sales tax ordinance or proposal shall include the  
22 following provisions:

23 (d) (I) A provision that the sale of tangible personal property and  
24 services taxable pursuant to this article shall be the same as the sale of  
25 tangible personal property and services taxable pursuant to section  
26 39-26-104, C.R.S., except as otherwise provided in this paragraph (d).  
27 The sale of tangible personal property and services taxable pursuant to

1 this article shall be subject to the same sales tax exemptions as those  
2 specified in part 7 of article 26 of title 39, C.R.S.; except that the sale of  
3 the following may be exempted from a town, city, or county sales tax only  
4 by the express inclusion of the exemption either at the time of adoption  
5 of the initial sales tax ordinance or resolution or by amendment thereto:

6 (M) THE EXEMPTION FOR SALES OF COMPONENTS USED IN BIOGAS  
7 PRODUCTION SYSTEMS SPECIFIED IN SECTION 39-26-724 (1) (c), C.R.S.  
8 THIS SUB-SUBPARAGRAPH (M) IS REPEALED, EFFECTIVE JULY 1, 2019.

9 **SECTION 3.** In Colorado Revised Statutes, 29-2-109, **add** (1.5)  
10 as follows:

11 **29-2-109. Contents of use tax ordinances and proposals -**  
12 **repeal.** (1.5) (a) THE USE TAX ORDINANCE, RESOLUTION, OR  
13 PROPOSAL OF ANY TOWN, CITY, OR COUNTY ADOPTED PURSUANT TO THIS  
14 ARTICLE MAY RECITE THAT THE USE TAX DOES NOT APPLY TO THE  
15 STORAGE AND USE OF COMPONENTS USED IN BIOGAS PRODUCTION  
16 SYSTEMS, AS EXEMPTED FROM THE STATE USE TAX PURSUANT TO SECTION  
17 39-26-724 (1) (c), C.R.S.

18 (b) THIS SUBSECTION (1.5) IS REPEALED, EFFECTIVE JULY 1, 2019.

19 **SECTION 4. Safety clause.** The general assembly hereby finds,  
20 determines, and declares that this act is necessary for the immediate  
21 preservation of the public peace, health, and safety.