

First Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 09-0440.01 Ed DeCecco

HOUSE BILL 09-1038

HOUSE SPONSORSHIP

Lundberg,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING A LIMITED EXEMPTION FROM THE STATE SEVERANCE TAX
102 FOR PRODUCTION FROM A PRIMARY COMMERCIAL OIL SHALE
103 FACILITY.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Prior to January 1, 2021, exempts a portion of the production from a primary commercial oil shale facility, which is defined in law, from the severance tax.

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.

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

2 **SECTION 1.** 39-29-107 (3) and (3.1), Colorado Revised Statutes,
3 are amended to read:

4 **39-29-107. Tax on severance of oil shale - definition - repeal.**

5 (3) (a) The production of the first fifteen thousand tons per day of oil
6 shale or ten thousand barrels per day of shale oil, whichever is greater,
7 shall be exempt from the tax.

8 (b) (I) PRIOR TO JANUARY 1, 2021, TWENTY PERCENT OF THE
9 PRODUCTION THAT IS OTHERWISE SUBJECT TO THE TAX ESTABLISHED BY
10 THIS SECTION FROM A PRIMARY COMMERCIAL OIL SHALE FACILITY SHALL
11 BE EXEMPT FROM SUCH TAX. AS USED IN THIS SUBSECTION (3), "PRIMARY
12 COMMERCIAL OIL SHALE FACILITY" MEANS A FACILITY ON WHICH
13 CONSTRUCTION WAS STARTED BEFORE JANUARY 1, 2012, AND FOR WHICH
14 TWENTY-FIVE PERCENT OF THE AVERAGE NUMBER OF EMPLOYEES WHO
15 WORK AT THE FACILITY DURING THE CURRENT YEAR WERE EMPLOYED AT
16 THE FACILITY AS OF JANUARY 1, 2012.

17 (II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JANUARY 1,
18 2022.

19 (3.1) The calculation of the daily production subject to the tax and
20 to the exemption in PARAGRAPH (a) OF subsection (3) of this section shall
21 be determined by dividing the total production of a calendar month by the
22 total number of days in such month.

23 **SECTION 2. Act subject to petition - effective date.** This act
24 shall take effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly that is
26 allowed for submitting a referendum petition pursuant to article V,
27 section 1 (3) of the state constitution, (August 4, 2009, if adjournment

1 sine die is on May 6, 2009); except that, if a referendum petition is filed
2 against this act or an item, section, or part of this act within such period,
3 then the act, item, section, or part, if approved by the people, shall take
4 effect on the date of the official declaration of the vote thereon by
5 proclamation of the governor.