

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

PREAMENDED

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

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.*

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) (a) 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, FOR USE IN PROCESSING, MANUFACTURING,
15 MINING, REFINING, IRRIGATION, CONSTRUCTION, TELEGRAPH, TELEPHONE,
16 AND RADIO COMMUNICATION, STREET AND RAILROAD TRANSPORTATION
17 SERVICES, AND ALL INDUSTRIAL USES SHALL NOT BE EXEMPT FROM SUCH
18 TAXATION FOR THE PERIOD COMMENCING MARCH 1, 2010, AND ENDING
19 JUNE 30, 2012.

20 (b) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
21 CONTRARY, FOR ANY LOCAL GOVERNMENT OR POLITICAL SUBDIVISION OF
22 THE STATE THAT LEVIES A SALES TAX BASED ON THE SALES TAX LEVIED BY
23 THE STATE PURSUANT TO THIS ARTICLE, SALES AND PURCHASES OF

1 ELECTRICITY, COAL, GAS, FUEL OIL, STEAM, COKE, OR NUCLEAR FUEL, FOR
2 USE IN PROCESSING, MANUFACTURING, MINING, REFINING, IRRIGATION,
3 CONSTRUCTION, TELEGRAPH, TELEPHONE, AND RADIO COMMUNICATION,
4 STREET AND RAILROAD TRANSPORTATION SERVICES, AND ALL INDUSTRIAL
5 USES FOR THE PERIOD COMMENCING MARCH 1, 2010, AND ENDING JUNE
6 30, 2012, SHALL BE EXEMPT FROM THE SALES TAX OF SUCH LOCAL
7 GOVERNMENT OR POLITICAL SUBDIVISION UNLESS THE LOCAL
8 GOVERNMENT OR POLITICAL SUBDIVISION EXPRESSLY SUBJECTS SUCH
9 SALES AND PURCHASES TO ITS SALES TAX FOR SAID PERIOD AT THE TIME OF
10 ADOPTION OF ITS INITIAL SALES TAX ORDINANCE OR RESOLUTION OR BY
11 SUBSEQUENT AMENDMENT THERETO.

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

14 **39-26-715. Fuel and oil.** (2) The following shall be exempt from
15 taxation under the provisions of part 2 of this article:

16 (b) (I) The storage, use, or consumption of electricity, coal, coke,
17 fuel oil, steam, nuclear fuel, or gas for use in processing, manufacturing,
18 mining, refining, irrigation, building construction, telegraph, telephone,
19 and radio communication, street and railroad transportation services, and
20 all industrial uses; EXCEPT THAT SUCH STORAGE, USE, OR CONSUMPTION
21 SHALL NOT BE EXEMPT FROM SUCH TAXATION FOR THE PERIOD
22 COMMENCING MARCH 1, 2010, AND ENDING JUNE 30, 2012.

23 (II) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
24 CONTRARY, FOR ANY LOCAL GOVERNMENT OR POLITICAL SUBDIVISION OF
25 THE STATE THAT LEVIES A USE TAX BASED ON THE USE TAX LEVIED BY THE
26 STATE PURSUANT TO THIS ARTICLE, THE STORAGE, USE, OR CONSUMPTION
27 OF ELECTRICITY, COAL, GAS, FUEL OIL, STEAM, COKE, OR NUCLEAR FUEL,

1 FOR USE IN PROCESSING, MANUFACTURING, MINING, REFINING, IRRIGATION,
2 CONSTRUCTION, TELEGRAPH, TELEPHONE, AND RADIO COMMUNICATION,
3 STREET AND RAILROAD TRANSPORTATION SERVICES, AND ALL INDUSTRIAL
4 USES FOR THE PERIOD COMMENCING MARCH 1, 2010, AND ENDING JUNE
5 30, 2012, SHALL BE EXEMPT FROM THE USE TAX OF SUCH LOCAL
6 GOVERNMENT OR POLITICAL SUBDIVISION UNLESS THE LOCAL
7 GOVERNMENT OR POLITICAL SUBDIVISION EXPRESSLY SUBJECTS SUCH
8 STORAGE, USE, OR CONSUMPTION TO ITS USE TAX FOR SAID PERIOD AT THE
9 TIME OF ADOPTION OF ITS INITIAL USE TAX ORDINANCE OR RESOLUTION OR
10 BY SUBSEQUENT AMENDMENT THERETO.

11 **SECTION 3. Appropriation.** In addition to any other
12 appropriation, there is hereby appropriated, out of any moneys in the
13 general fund not otherwise appropriated, to the department of revenue, for
14 allocation to the taxation business group, taxation and compliance
15 division, for the fiscal year beginning July 1, 2009, the sum of ninety-four
16 thousand three hundred twenty-two dollars (\$94,322) and 0.9 FTE, or so
17 much thereof as may be necessary, for the implementation of this act.

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