

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

REVISED

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

LLS NO. 10-0741.01 Bob Lackner

HOUSE BILL 10-1195

HOUSE SPONSORSHIP

Ferrandino,

SENATE SPONSORSHIP

Heath,

House Committees

Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 CONCERNING THE SUSPENSION OF THE EXEMPTION FROM THE STATE
102 SALES AND USE TAXES FOR CERTAIN ITEMS USED IN
103 AGRICULTURAL PRODUCTION, AND MAKING AN APPROPRIATION
104 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>.)

The bill suspends the exemption from the state sales and use taxes for the sale or storage, use, or consumption of agricultural compounds

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.

SENATE
Am ended 2nd Reading
February 8, 2010

HOUSE
3rd Reading Unam ended
February 1, 2010

HOUSE
Am ended 2nd Reading
January 29, 2010

used in caring for livestock, semen for agricultural and ranching purposes, and pesticides for use in the production of agricultural and livestock products for the period beginning March 1, 2010, and ending June 30, 2013. The bill also prevents the suspension of the exemption from affecting sales or use taxes levied by towns, cities, counties, or other political subdivisions of the state that are based on the state sales or use tax unless a town, city, county, or political subdivision expressly subjects such sale or storage, use, or consumption to its sales or use tax for the specified period at the time of adoption of its initial sales or use tax ordinance or resolution or subsequent amendment to the ordinance or resolution.

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

2 **SECTION 1.** 39-26-716 (2) (d), (2) (e), (3) (d), and (3) (e),
3 Colorado Revised Statutes, are amended, and the said 39-26-716 is
4 further amended BY THE ADDITION OF A NEW SUBSECTION, to
5 read:

6 **39-26-716. Agriculture and livestock - special fuels -**
7 **definitions.** (2) The following shall be exempt from taxation under the
8 provisions of part 1 of this article:

9 (d) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5) OF THIS
10 SECTION, all sales and purchases of agricultural compounds to be
11 consumed by, administered to, or otherwise used in caring for livestock
12 and all sales and purchases of semen for agricultural or ranching
13 purposes; and

14 (e) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5) OF THIS
15 SECTION, all sales and purchases of pesticides that are registered by the
16 commissioner of agriculture for use in the production of agricultural and
17 livestock products pursuant to the provisions of the "Pesticide Act",
18 article 9 of title 35, C.R.S., and offered for sale by dealers licensed to sell
19 such pesticides pursuant to section 35-9-115, C.R.S.

1 (3) The following shall be exempt from taxation under the
2 provisions of part 2 of this article:

3 (d) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5) OF THIS
4 SECTION, the storage, use, or consumption of agricultural compounds to
5 be consumed by, administered to, or otherwise used in caring for
6 livestock and semen used for agricultural or ranching purposes; and

7 (e) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5) OF THIS
8 SECTION, the storage, use, or consumption of pesticides that are registered
9 by the commissioner of agriculture for use in the production of
10 agricultural and livestock products pursuant to the provisions of the
11 "Pesticide Act", article 9 of title 35, C.R.S., and offered for sale by
12 dealers licensed to sell such pesticides pursuant to section 35-9-115,
13 C.R.S.

14 (5) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ALL SALES
15 AND PURCHASES OF THE ITEMS DESCRIBED IN PARAGRAPH (d) OR (e) OF
16 SUBSECTION (2) OR PARAGRAPH (d) OR (e) OF SUBSECTION (3) OF THIS
17 SECTION SHALL NOT BE EXEMPT FROM STATE SALES AND USE TAXATION
18 UNDER THE PROVISIONS OF THIS ARTICLE FOR THE PERIOD COMMENCING
19 MARCH 1, 2010, AND ENDING JUNE 30, 2013.

20 **SECTION 2.** Part 1 of article 21 of title 39, Colorado Revised
21 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
22 read:

23 **39-21-122. Revenue impact of 2010 tax legislation - tracking**
24 **by department.** THE DEPARTMENT OF REVENUE SHALL ACCOUNT FOR ALL
25 REVENUE ATTRIBUTABLE TO THE ENACTMENT OF HOUSE BILL 10-1195,
26 ENACTED IN 2010, AND SHALL, TO THE EXTENT SUCH INFORMATION IS
27 AVAILABLE, MAKE QUARTERLY REPORTS TO THE GENERAL ASSEMBLY

1 REGARDING THE QUARTERLY AND CUMULATIVE NET REVENUE GAIN TO THE
2 STATE RESULTING FROM THE ENACTMENT OF SAID BILL.

3 **SECTION 3.** Part 1 of article 75 of title 24, Colorado Revised
4 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
5 read:

6 **24-75-113. 2010 bills to increase state revenue - prohibition on**
7 **hiring of new state employees.** NO MONEYS DERIVED FROM THE
8 INCREASE IN STATE REVENUES RESULTING FROM THE PASSAGE OF HOUSE
9 BILL 10-1195, ENACTED IN 2010, SHALL BE APPROPRIATED FOR THE
10 PURPOSE OF FUNDING ADDITIONAL FULL TIME EQUIVALENT STATE
11 EMPLOYEES.

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

15 **39-26-127. Legislation modifying the state sales tax base - no**
16 **impact on local government sales tax bases - no expansion of local**
17 **authority to levy sales tax.** (1) NOTWITHSTANDING THE PROVISIONS OF
18 SECTION 29-2-105 (1) (d), C.R.S., ANY PROVISION OF TITLE 32, C.R.S., OR
19 ANY OTHER PROVISION OF LAW, THE LEVYING OF SALES TAX ON,
20 EXEMPTION FROM SALES TAX FOR, OR LOCAL OPTION TO LEVY SALES TAX
21 ON OR PROVIDE AN EXEMPTION FROM SALES TAX FOR ANY TANGIBLE
22 PERSONAL PROPERTY OR SERVICES UNDER THE SALES TAX ORDINANCE OR
23 RESOLUTION OF ANY COUNTY, MUNICIPALITY, SPECIAL DISTRICT,
24 AUTHORITY, OR OTHER LOCAL GOVERNMENT OR POLITICAL SUBDIVISION
25 OF THE STATE SHALL NOT BE AFFECTED IN ANY WAY BY THE ELIMINATION,
26 SUSPENSION, OR MODIFICATION OF ANY SALES TAX EXEMPTION OR ANY
27 OTHER LEGISLATIVE MODIFICATION OF THE STATE SALES TAX BASE

1 RESULTING FROM THE ENACTMENT OF ANY OF THE FOLLOWING BILLS:

2 (a) HOUSE BILL 10-1195, ENACTED IN 2010.

3 (2) THIS SECTION DOES NOT CREATE OR EXPAND, AND SHALL NOT
4 BE CONSTRUED TO CREATE OR EXPAND, ANY AUTHORITY OF ANY COUNTY,
5 MUNICIPALITY, SPECIAL DISTRICT, AUTHORITY, OR OTHER LOCAL
6 GOVERNMENT OR POLITICAL SUBDIVISION OF THE STATE TO LEVY SALES
7 TAX.

8 SECTION 5. Part 2 of article 26 of title 39, Colorado Revised
9 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
10 read:

11 **39-26-212. Legislation modifying the state use tax base - no**
12 **impact on local government use tax bases - no expansion of local**
13 **authority to levy use tax.** (1) NOTWITHSTANDING THE PROVISIONS OF
14 SECTION 29-2-105 (1) (d), C.R.S., ANY PROVISION OF TITLE 32, C.R.S., OR
15 ANY OTHER PROVISION OF LAW, THE LEVYING OF USE TAX ON, EXEMPTION
16 FROM USE TAX FOR, OR LOCAL OPTION TO LEVY USE TAX ON OR PROVIDE
17 AN EXEMPTION FROM USE TAX FOR ANY TANGIBLE PERSONAL PROPERTY OR
18 SERVICES UNDER THE USE TAX ORDINANCE OR RESOLUTION OF ANY
19 COUNTY, MUNICIPALITY, SPECIAL DISTRICT, AUTHORITY, OR OTHER LOCAL
20 GOVERNMENT OR POLITICAL SUBDIVISION OF THE STATE SHALL NOT BE
21 AFFECTED IN ANY WAY BY THE ELIMINATION, SUSPENSION, OR
22 MODIFICATION OF ANY USE TAX EXEMPTION OR ANY OTHER LEGISLATIVE
23 MODIFICATION OF THE STATE USE TAX BASE RESULTING FROM THE
24 ENACTMENT OF ANY OF THE FOLLOWING BILLS:

25 (a) HOUSE BILL 10-1195, ENACTED IN 2010.

26 (2) THIS SECTION DOES NOT CREATE OR EXPAND, AND SHALL NOT
27 BE CONSTRUED TO CREATE OR EXPAND, ANY AUTHORITY OF ANY COUNTY,

1 MUNICIPALITY, SPECIAL DISTRICT, AUTHORITY, OR OTHER LOCAL
2 GOVERNMENT OR POLITICAL SUBDIVISION OF THE STATE TO LEVY USE TAX.

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

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