

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

PREAMENDED

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

LLS NO. 11-0097.01 Gregg Fraser

HOUSE BILL 11-1158

HOUSE SPONSORSHIP

Bradford,

SENATE SPONSORSHIP

Schwartz,

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING SALES AND USE TAX EXEMPTIONS FOR THE SALES AND**
102 **USE OF WOOD FROM TREES HARVESTED IN COLORADO.**

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>.)

Wood and wood products from trees killed or infested in Colorado by the mountain pine beetle are currently exempt from sales and use tax. The exemption expires on July 1, 2013.

The bill specifies that the current exemption includes trees killed or infested in Colorado by the spruce beetle. Commencing July 1, 2011,

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.

the bill expands the sales and use tax exemption to include wood and wood products from all trees lawfully harvested in Colorado and extends the expiration of the exemption to July 1, 2020.

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

SECTION 1. 39-26-723, Colorado Revised Statutes, is amended to read:

39-26-723. Colorado wood products - repeal. (1) For fiscal years commencing on or after July 1, 2008, but prior to the fiscal year commencing on ~~July 1, 2013~~ JULY 1, 2020, there shall be exempt from taxation under the provisions of parts 1 and 2 of this article all sales, storage, and use of wood from salvaged trees killed or infested in Colorado by mountain pine beetles OR BY SPRUCE BEETLES, including but not limited to products such as lumber, furniture built from the salvaged trees, and wood chips or wood pellets generated from the salvaged trees.

(2) For purposes of the exemption specified in subsection (1) of this section, a wholesaler shall certify on a form prescribed by the department of revenue that a product is from salvaged trees killed or infested in Colorado by mountain pine beetles OR BY SPRUCE BEETLES.

(3) This section is repealed, effective ~~July 1, 2014~~ JULY 1, 2021.

SECTION 2. 29-2-105 (1) (d) (I) (I), Colorado Revised Statutes, is amended to read:

29-2-105. Contents of sales tax ordinances and proposals.

(1) The sales tax ordinance or proposal of any incorporated town, city, or county adopted pursuant to this article shall be imposed on the sale of tangible personal property at retail or the furnishing of services, as provided in paragraph (d) of this subsection (1). Any countywide or

1 incorporated town or city sales tax ordinance or proposal shall include the
2 following provisions:

3 (d) (I) A provision that the sale of tangible personal property and
4 services taxable pursuant to this article shall be the same as the sale of
5 tangible personal property and services taxable pursuant to section
6 39-26-104, C.R.S., except as otherwise provided in this paragraph (d).

7 The sale of tangible personal property and services taxable pursuant to
8 this article shall be subject to the same sales tax exemptions as those
9 specified in part 7 of article 26 of title 39, C.R.S.; except that the sale of
10 the following may be exempted from a town, city, or county sales tax only
11 by the express inclusion of the exemption either at the time of adoption
12 of the initial sales tax ordinance or resolution or by amendment thereto:

13 (I) The exemption for sales of wood from salvaged trees killed or
14 infested in Colorado by mountain pine beetles OR SPRUCE BEETLES AS
15 specified in section 39-26-723, C.R.S.;

16 **SECTION 3.** The introductory portion to 29-2-109 (1), Colorado
17 Revised Statutes, is amended to read:

18 **29-2-109. Contents of use tax ordinances and proposals.**

19 (1) The use tax ordinance, resolution, or proposal of any town, city, or
20 county adopted pursuant to this article shall be imposed only for the
21 privilege of using or consuming in the town, city, or county any
22 construction and building materials purchased at retail or for the privilege
23 of storing, using, or consuming in the town, city, or county any motor and
24 other vehicles, purchased at retail on which registration is required, or
25 both. For the purposes of this subsection (1), the term "construction and
26 building materials" shall not include parts or materials utilized in the
27 fabrication, construction, assembly, or installation of passenger tramways,

1 as defined in section 25-5-702 (4), C.R.S., by any ski area operator, as
2 defined in section 33-44-103 (7), C.R.S., or any person fabricating,
3 constructing, assembling, or installing a passenger tramway for a ski area
4 operator. The ordinance, resolution, or proposal may recite that the use
5 tax shall not apply to the storage and use of wood from salvaged trees
6 killed or infested in Colorado by mountain pine beetles OR SPRUCE
7 BEETLES as exempted from the state use tax pursuant to section
8 39-26-723, C.R.S. The ordinance, resolution, or proposal may recite that
9 the use tax shall not apply to the storage and use of components used in
10 the production of energy, including but not limited to alternating current
11 electricity, from a renewable energy source, as exempted from the state
12 use tax pursuant to section 39-26-724, C.R.S. The ordinance, resolution,
13 or proposal shall recite that the use tax shall not apply:

14 **SECTION 4. Applicability.** This act shall apply to the sales,
15 storage, and use on or after July 1, 2011, of wood from salvaged trees
16 killed or infested in Colorado by spruce beetles.

17 **SECTION 5. Safety clause.** The general assembly hereby finds,
18 determines, and declares that this act is necessary for the immediate
19 preservation of the public peace, health, and safety.