

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0619.02 Jason Gelender x4330

HOUSE BILL 14-1159

HOUSE SPONSORSHIP

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

SENATE SPONSORSHIP

Schwartz and Crowder,

House Committees

Agriculture, Livestock, & Natural Resources
Finance

Senate Committees

A BILL FOR AN ACT

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

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 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.

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 - definitions.** (1) (c) ON AND AFTER THE
6 EFFECTIVE DATE OF THIS PARAGRAPH (c), ALL SALES, STORAGE, AND USE
7 OF COMPONENTS USED IN BIOGAS PRODUCTION SYSTEMS FOR THE
8 PRODUCTION OF BIOGAS FOR SALE TO A POWER GENERATOR, AS A
9 TRANSPORTATION FUEL, OR AS RENEWABLE NATURAL GAS ARE EXEMPT
10 FROM TAXATION UNDER PARTS 1 AND 2 OF THIS ARTICLE.

11 (2) As used in this section:

12 (a) "Components used in solar thermal systems" shall include, but
13 shall not be limited to:

14 ~~(I) Solar collectors, including flat-plate collectors, evacuated tube~~
15 ~~collectors, solar air collectors, and concentrating solar thermal collectors;~~

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

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

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

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

23 ~~(VI) Any other system components such as piping, valves, gauges,~~
24 ~~fittings, insulation, and controls for any components listed in~~
25 ~~subparagraphs (I) to (IV) of this paragraph (a). "COMPONENTS USED IN~~
26 ~~BIOGAS PRODUCTION SYSTEMS" INCLUDES ALL TANGIBLE PERSONAL~~

1 PROPERTY USED IN CONNECTION WITH THE PRODUCTION OF BIOGAS AND
2 RELATED SOLID BY-PRODUCTS AND LIQUID BY-PRODUCTS, INCLUDING BUT
3 NOT LIMITED TO:

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

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

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

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

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

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

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

4 (IV) HEAT EXCHANGERS USED TO TRANSFER SOLAR-GENERATED
5 ENERGY;

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

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

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

14 **29-2-105. Contents of sales tax ordinances and proposals.**

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

21 (d) (I) A provision that the sale of tangible personal property and
22 services taxable pursuant to this article shall be the same as the sale of
23 tangible personal property and services taxable pursuant to section
24 39-26-104, C.R.S., except as otherwise provided in this paragraph (d).
25 The sale of tangible personal property and services taxable pursuant to
26 this article shall be subject to the same sales tax exemptions as those
27 specified in part 7 of article 26 of title 39, C.R.S.; except that the sale of

1 the following may be exempted from a town, city, or county sales tax only
2 by the express inclusion of the exemption either at the time of adoption
3 of the initial sales tax ordinance or resolution or by amendment thereto:

4 (M) THE EXEMPTION FOR SALES OF COMPONENTS USED IN BIOGAS
5 PRODUCTION SYSTEMS SPECIFIED IN SECTION 39-26-724 (1) (c), C.R.S.;
6 EXCEPT THAT THIS SUB-SUBPARAGRAPH (M) DOES NOT APPLY TO ANY
7 INCORPORATED TOWN, CITY, OR COUNTY THAT ADOPTED THE EXEMPTION
8 SPECIFIED IN SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (I) BEFORE
9 THE EFFECTIVE DATE OF THIS SUB-SUBPARAGRAPH (M).

10 **SECTION 3.** In Colorado Revised Statutes, 29-2-109, **amend** (1)
11 introductory portion as follows:

12 **29-2-109. Contents of use tax ordinances and proposals.**

13 (1) The use tax ordinance, resolution, or proposal of any town, city, or
14 county adopted pursuant to this article shall be imposed only for the
15 privilege of using or consuming in the town, city, or county any
16 construction and building materials purchased at retail or for the privilege
17 of storing, using, or consuming in the town, city, or county any motor and
18 other vehicles, purchased at retail on which registration is required, or
19 both. For the purposes of this subsection (1), the term "construction and
20 building materials" shall not include parts or materials utilized in the
21 fabrication, construction, assembly, or installation of passenger tramways,
22 as defined in section 25-5-702 (4), C.R.S., by any ski area operator, as
23 defined in section 33-44-103 (7), C.R.S., or any person fabricating,
24 constructing, assembling, or installing a passenger tramway for a ski area
25 operator. The ordinance, resolution, or proposal may recite that the use
26 tax ~~shall~~ DOES not apply to the storage and use of wood from salvaged
27 trees killed or infested in Colorado by mountain pine beetles or spruce

1 beetles as exempted from the state use tax pursuant to section 39-26-723,
2 C.R.S. The ordinance, resolution, or proposal may recite that the use tax
3 ~~shall~~ DOES not apply to the storage and use of components used in the
4 production of energy, including but not limited to alternating current
5 electricity, from a renewable energy source, as exempted from the state
6 use tax pursuant to section 39-26-724, C.R.S. THE ORDINANCE,
7 RESOLUTION, OR PROPOSAL MAY RECITE THAT THE USE TAX DOES NOT
8 APPLY TO THE STORAGE AND USE OF COMPONENTS USED IN BIOGAS
9 PRODUCTION SYSTEMS, AS EXEMPTED FROM THE STATE USE TAX PURSUANT
10 TO SECTION 39-26-724 (1) (c), C.R.S. The ordinance, resolution, or
11 proposal shall recite that the use tax ~~shall~~ DOES not apply:

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