

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0281.01 Ed DeCecco x4216

HOUSE BILL 15-1012

HOUSE SPONSORSHIP

Becker J.,

SENATE SPONSORSHIP

Sonnenberg,

House Committees

Finance
Transportation & Energy
Appropriations

Senate Committees

A BILL FOR AN ACT

101 CONCERNING A SALES AND USE TAX EXEMPTION FOR DYED DIESEL.

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>.)

Under current law, dyed diesel fuel (dyed diesel) is exempt from the state sales and use tax if it is:

- ! Subject to the state special fuel excise tax;
- ! Used to operate a farm vehicle on a farm or ranch; or
- ! Used for an industrial purpose.

So, dyed diesel that is exempt from the state special fuel excise because it is not used to power a motor vehicle on the state highways, but not used to operate a farm vehicle or used for an industrial purpose, is

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.

subject to the state sales and use tax. **Section 1** of the bill exempts these remaining sales and uses of dyed diesel from the state sales and use tax. This exemption automatically applies to statutory municipalities and counties. **Section 2** specifies that the sale, storage, use, or consumption of dyed diesel is exempt from the sales and use tax imposed by a home rule municipality or county.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-26-715, **amend**
3 (1) (a) introductory portion and (2) introductory portion; and **add** (1) (a)
4 (III), (2) (d), and (4) as follows:

5 **39-26-715. Fuel and oil - definitions.** (1) (a) The following ~~shall~~
6 ~~be~~ ARE exempt from taxation under the provisions of part 1 of this article:

7 (III) ALL SALES OF DYED DIESEL.

8 (2) The following ~~shall be~~ ARE exempt from taxation under the
9 provisions of part 2 of this article:

10 (d) THE STORAGE, USE, OR CONSUMPTION OF DYED DIESEL.

11 (4) AS USED IN THIS SECTION, "DYED DIESEL" HAS THE SAME
12 MEANING AS SET FORTH IN SECTION 39-27-101 (8).

13 **SECTION 2.** In Colorado Revised Statutes, 29-2-105, **add** (11)
14 as follows:

15 **29-2-105. Contents of sales tax ordinances and proposals -**
16 **repeal.** (11) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
17 CONTRARY, THE SALE OF DYED DIESEL THAT IS EXEMPT FROM THE STATE
18 SALES TAX UNDER SECTION 39-26-715 (1) (a) (III), C.R.S., AND THE
19 STORAGE, USE, OR CONSUMPTION OF DYED DIESEL THAT IS EXEMPT FROM
20 THE STATE USE TAX UNDER SECTION 39-26-715 (2) (d), C.R.S., IS EXEMPT
21 FROM THE SALES AND USE TAX IMPOSED BY A HOME RULE MUNICIPALITY
22 OR COUNTY.

1 **SECTION 3. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, and safety.