

# An Act

HOUSE BILL 18-1350

BY REPRESENTATIVE(S) Kraft-Tharp, Arndt, Rosenthal, Van Winkle,  
Williams D.;  
also SENATOR(S) Priola, Moreno, Grantham.

CONCERNING THE SALES AND USE TAX TREATMENT OF EQUIPMENT USED TO  
MANUFACTURE NEW METAL STOCK FROM SCRAP OR  
END-OF-LIFE-CYCLE METALS, AND, IN CONNECTION THEREWITH,  
MAKING AN APPROPRIATION.

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

**SECTION 1.** In Colorado Revised Statutes, 39-26-709, **amend**  
(1)(c)(III.5); and **add** (1)(c)(III.6) as follows:

**39-26-709. Machinery and machine tools - definitions.** (1)(c) As  
used in this subsection (1):

(III.5) (A) "Recovered materials" means those materials that have  
been separated, diverted, or removed from the waste stream for the purpose  
of remanufacturing, reuse, or recycling OR, AS ALLOWED BY SUBSECTION  
(1)(c)(III.6) OF THIS SECTION, THOSE MATERIALS THAT HAVE BEEN DERIVED  
FROM SCRAP METAL OR END-OF-LIFE-CYCLE METALS FOR  
REMANUFACTURING, REUSE, OR RECYCLING INTO NEW METAL STOCK THAT

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*Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes  
through words indicate deletions from existing statutes and such material not part of act.*

MEETS APPLICABLE STANDARDS FOR METAL COMMODITIES SALES.

(B) AS USED IN THIS SUBSECTION (1)(c)(III.5), "APPLICABLE STANDARDS" MEANS STANDARDS FOR RECYCLED COMMODITIES RECOGNIZED BY THE INSTITUTE OF SCRAP RECYCLING INDUSTRIES.

(III.6) "SCRAP METAL PROCESSOR" MEANS ANY PERSON WHO IS ENGAGED IN THE BUSINESS OF PROCESSING SCRAP METALS WHO, FROM A FIXED LOCATION, UTILIZES MACHINERY AND EQUIPMENT FOR MANUFACTURING FERROUS AND NONFERROUS METALLIC SCRAP INTO PREPARED GRADES AND WHOSE PRINCIPAL PRODUCT IS METALLIC SCRAP. THE FOLLOWING ITEMS ARE EXEMPT WHEN PURCHASED BY A SCRAP METAL PROCESSOR AND USED IN MANUFACTURING PREPARED GRADE RECYCLED METALS: MOBILE METAL SHEARS, STATIONARY METAL SHEARS, METAL SHREDDERS, CONVEYORS USED TO MOVE METAL SCRAP OR STOCK, LOADERS UTILIZED TO LOAD METAL SCRAP OR STOCK, BAILERS TO BUNDLE METAL STOCK, MATERIAL HANDLERS UTILIZED FOR METAL SCRAP OR METAL STOCK, EXCAVATORS, MAGNETS, GRAPPLES AND TORCHES UTILIZED TO BREAK DOWN METAL SCRAP, AND ALL OTHER EQUIPMENT DIRECTLY USED PREDOMINANTLY IN THE MANUFACTURING OF COMMODITY GRADE RECYCLED METALS.

**SECTION 2. Appropriation.** (1) For the 2018-19 state fiscal year, \$14,292 is appropriated to the department of revenue for use by the taxation and compliance division. This appropriation is from the general fund. To implement this act, the division may use this appropriation as follows:

- (a) \$14,007 for personal services, which amount is based on an assumption that the division will require an additional 0.3 FTE; and
- (b) \$285 for operating expenses.

**SECTION 3. Act subject to petition - effective date - applicability.** (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the

official declaration of the vote thereon by the governor.

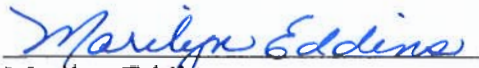
(2) This act applies to sales of machinery and machine tools that occur on or after January 1, 2019.




Crisanta Duran  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES



Kevin J. Grantham  
PRESIDENT OF  
THE SENATE



Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

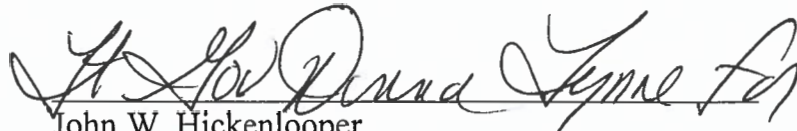


Effie Ameen  
SECRETARY OF  
THE SENATE

APPROVED

11:52 AM

6/6/18



John W. Hickenlooper  
GOVERNOR OF THE STATE OF COLORADO