



Legislative Council Staff

Research Note

Version: Final

Date: 8/9/2016

Bill Number

House Bill 16-1457

Sponsors

***Representatives Garnett and
Wilson
Senators Neville T. and Garcia***

Short Title

***Sales & Use Tax Exemption
Residential Energy***

Research Analyst

Katie Ruedebusch (x3001)

Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on June 10, 2016.

Summary

The bill clarifies that the state sales and use tax exemption for residential uses of electricity, coal, wood, gas, fuel oil, and coke (energy sources) applies when energy sources are sold or resold to persons who are not occupants of the residence.

The bill applies the exemption to all sales of energy sources for residential use, exempting from taxation energy sources that are purchased for a multifamily residential property and resold to individual resident households. Additionally, the bill clarifies that residential use is presumed when an energy source is sold at a residential utility rate.

Background

Energy sources are exempt from taxation when sold for the purpose of powering residential fixtures and appliances. Under current law, the exemption applies only to energy sources sold to occupants of residences, and only when the energy sources will not be resold. The bill codifies the Colorado Department of Revenue's current rules and practices regarding the existing energy sources sales and use tax exemptions for residential use.

This research note was prepared by Legislative Council Staff, the nonpartisan research staff for the Colorado General Assembly. The research note is provided for informational purposes only and should not be relied upon as an official record of action by the General Assembly. Legislative Council Staff are not attorneys, and the research note is not a legal opinion. If you have legal questions about the bill, including questions about the meaning of the bill language or amendments, please contact the drafter.

House Action

House Finance Committee (April 28, 2016). The committee referred the bill to the House Committee of the Whole unamended.

House second reading (April 28, 2016). The House passed the bill on second reading with no additional amendments.

House third reading (April 29, 2016). The House passed the bill on third reading with no amendments.

Senate Action

Senate Finance Committee (May 3, 2016). The committee adopted technical amendment L.001, which added the bill number to the bill. The committee referred the bill, as amended, to the Senate Committee of the Whole with the recommendation that it be placed on the consent calendar.

Senate second reading (May 3, 2016). The Senate adopted the Senate Finance Committee report and passed the bill on second reading with no additional amendments.

Senate third reading (May 4, 2016). The Senate passed the bill on third reading with no amendments.