

## CHAPTER 55

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**TAXATION**


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**HOUSE BILL 21-1177**

BY REPRESENTATIVE(S) Valdez D. and Lynch, Arndt, Pico, Baisley, Bird, Bockenfeld, Bradfield, Catlin, Geitner, Gray, Lontine, Luck, McKean, Mullica, Neville, Ransom, Ricks, Sandridge, Snyder, Soper, Tipper, Titone, Van Beber, Van Winkle, Will, Williams, Young, Carver;  
also SENATOR(S) Moreno and Woodward, Kirkmeyer, Zenzinger, Gardner, Kolker, Priola, Rankin, Scott, Sonnenberg.

**AN ACT**

**CONCERNING THE INCLUSION OF USE TAX EXEMPTIONS FOR CERTAIN EXISTING SALES TAX EXEMPTIONS IN ORDER TO MAKE THE EXEMPTIONS COMPATIBLE WITH FUNDAMENTAL PRINCIPLES OF SALES AND USE TAX.**

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

**SECTION 1.** In Colorado Revised Statutes, 39-26-707, **amend** (2) introductory portion; and **add** (2)(f) and (2)(g) as follows:

**39-26-707. Food, meals, beverages, and packaging - definitions.** (2) The following shall be exempt from taxation under the provisions of part 2 of this ~~article~~ **ARTICLE 26**:

(f) THE STORAGE, USE, OR CONSUMPTION OF ALL FOOD PURCHASED WITH FOOD STAMPS. FOR PURPOSES OF THIS SUBSECTION (2)(f), "FOOD" HAS THE SAME MEANING AS PROVIDED IN 7 U.S.C. SEC. 2012, AS SUCH SECTION EXISTS ON OCTOBER 1, 1987, OR IS THEREAFTER AMENDED.

(g) THE STORAGE, USE, OR CONSUMPTION OF ALL FOOD PURCHASED WITH FUNDS PROVIDED BY THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN, AS PROVIDED FOR IN 42 U.S.C. SEC. 1786. FOR THE PURPOSES OF THIS SUBSECTION (2)(g), "FOOD" HAS THE SAME MEANING AS PROVIDED IN 42 U.S.C. SEC. 1786, AS SUCH SECTION EXISTS ON OCTOBER 1, 1987, OR IS THEREAFTER AMENDED.

**SECTION 2.** In Colorado Revised Statutes, 39-26-711.5, **amend** (1) introductory portion as follows:

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

**39-26-711.5. Aircraft - use outside state.** (1) The sale, STORAGE, USE, AND CONSUMPTION of a new or used aircraft shall be exempt from taxation under the provisions of part 1 AND PART 2 of this ~~article~~ ARTICLE 26 if:

**SECTION 3.** In Colorado Revised Statutes, 39-26-717, **add** (3) as follows:

**39-26-717. Drugs and medical and therapeutic devices - definitions.** (3) THE STORAGE, USE, OR CONSUMPTION OF ANY ITEM THAT IS EXEMPT FROM SALES TAX BY OPERATION OF SUBSECTION (2) OF THIS SECTION IS EXEMPT FROM TAXATION UNDER THE PROVISIONS OF PART 2 OF THIS ARTICLE 26.

**SECTION 4.** In Colorado Revised Statutes, 39-26-718, **add** (2) as follows:

**39-26-718. Charitable organizations - association or organization of parents and teachers of public school students.** (2) THE STORAGE, USE, OR CONSUMPTION OF ANY ITEM THAT IS EXEMPT FROM SALES TAX BY OPERATION OF SUBSECTION (1)(b) OR (1)(c) OF THIS SECTION IS EXEMPT FROM TAXATION UNDER THE PROVISIONS OF PART 2 OF THIS ARTICLE 26.

**SECTION 5.** In Colorado Revised Statutes, 39-26-725, **add** (4) as follows:

**39-26-725. Sales related to a school - definitions.** (4) THE STORAGE, USE, OR CONSUMPTION OF ANY ITEM THAT IS EXEMPT FROM SALES TAX BY OPERATION OF SUBSECTION (2) OF THIS SECTION IS EXEMPT FROM TAXATION UNDER THE PROVISIONS OF PART 2 OF THIS ARTICLE 26.

**SECTION 6.** In Colorado Revised Statutes, 39-26-729, **add** (3) as follows:

**39-26-729. Retail sales of marijuana.** (3) THE STORAGE, USE, OR CONSUMPTION OF ANY RETAIL MARIJUANA THAT IS EXEMPT FROM SALES TAX BY OPERATION OF SUBSECTION (1) OF THIS SECTION IS EXEMPT FROM TAXATION UNDER THE PROVISIONS OF PART 2 OF THIS ARTICLE 26.

**SECTION 7. Act subject to petition - effective date.** 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; 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 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: April 22, 2021