

CHAPTER 235

**TAXATION**

**SENATE BILL 95-221**

BY SENATORS Schaffer, Wells, Schroeder, Tebedo, Mares, Matsunaka, Norton, and R. Powers;  
also REPRESENTATIVES Martin, Acquafresca, Armstrong, Berry, Dean, Hagedorn, Lamborn, Lyle, McPherson, Paschall, Reeser,  
Romero, Salaz, Schwarz, and Taylor.

**AN ACT**

**CONCERNING THE PROVISION OF TAX RELIEF AS INCENTIVES TO PROMOTE BUSINESS DEVELOPMENT.**

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

**SECTION 1.** Article 3 of title 39, Colorado Revised Statutes, 1994 Repl. Vol., is amended BY THE ADDITION OF A NEW SECTION to read:

**39-3-118.5. Business personal property - exemption.** FOR PROPERTY TAX YEARS COMMENCING ON AND AFTER JANUARY 1, 1996, BUSINESS PERSONAL PROPERTY SHALL BE EXEMPT FROM THE LEVY AND COLLECTION OF PROPERTY TAX UNTIL SUCH BUSINESS PERSONAL PROPERTY IS FIRST USED IN THE BUSINESS AFTER ACQUISITION.

**SECTION 2.** 39-30-107.5, Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

**39-30-107.5. Taxable property valuations - sales taxes - incentives - definitions.** (1) Notwithstanding any law to the contrary, any county, municipality, or city and county within an enterprise zone may negotiate with any taxpayer who qualifies for a credit pursuant to section 39-30-105, WHO ESTABLISHES A NEW BUSINESS FACILITY WITHIN AN ENTERPRISE ZONE, OR WHO EXPANDS A FACILITY WITHIN AN ENTERPRISE ZONE, THE EXPANSION OF WHICH CONSTITUTES A NEW BUSINESS FACILITY, for an incentive payment or credit equal to not more than the amount of the taxes levied upon the taxable property of the taxpayer; but in no instance shall any such negotiation result in such an incentive payment or credit which is greater than the difference between the current property tax liability and the tax liability for the same property for the year preceding the year in which the enterprise zone was approved.

(2) Notwithstanding any law to the contrary, any county, municipality, or city and

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

county within an enterprise zone may negotiate with any taxpayer who qualifies for a credit pursuant to section 39-30-105, WHO ESTABLISHES A NEW BUSINESS FACILITY WITHIN AN ENTERPRISE ZONE, OR WHO EXPANDS A FACILITY WITHIN AN ENTERPRISE ZONE, THE EXPANSION OF WHICH CONSTITUTES A NEW BUSINESS FACILITY, a refund of the sales taxes levied by such county, municipality, or city and county for the purchase of equipment, machinery, machine tools, or supplies used in the taxpayer's business in the enterprise zone.

(3) AS USED IN THIS SECTION:

(a) "FACILITY" MEANS A FACILITY AS DEFINED IN SECTION 39-22-508.2 (2) (a).

(b) "NEW BUSINESS FACILITY" MEANS A NEW BUSINESS FACILITY AS DEFINED IN SECTION 39-22-508.2 (3) BUT EXCLUDING THE REQUIREMENTS OF PARAGRAPH (b) OF THAT SUBSECTION.

**SECTION 3.** 39-26-102 (21), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

**39-26-102. Definitions - repeal.** As used in this article, unless the context otherwise requires:

(21) Sales and purchases of electricity, coal, gas, fuel oil, STEAM, coke, or nuclear fuel, for use in processing, manufacturing, mining, refining, irrigation, construction, telegraph, telephone, and radio communication, street and railroad transportation services, and all industrial uses, and newsprint and printer's ink for use by publishers of newspapers and commercial printers shall be deemed to be wholesale sales and shall be exempt from taxation under this part 1.

**SECTION 4.** 39-26-203 (1) (g), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

**39-26-203. Exemptions - repeal.** (1) This part 2 is declared to be supplementary to the "Emergency Retail Sales Tax Law of 1935", part 1 of this article, and shall not apply:

(g) To the storage, use, or consumption of electricity, coal, coke, fuel oil, STEAM, nuclear fuel, or gas for use in processing, manufacturing, mining, refining, irrigation, building construction, telegraph, telephone, and radio communication, street and railroad transportation services, and all industrial uses;

**SECTION 5. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 31, 1995