

CHAPTER 49

TAXATION

HOUSE BILL 95-1028

BY REPRESENTATIVES Schauer, Epps, Hagedorn, and Piffner;
also SENATOR Ament.

AN ACT

**CONCERNING MODIFICATIONS TO THE EXEMPTION OF PURCHASES OF ITEMS RELATED TO THE
MANUFACTURING OF TANGIBLE PERSONAL PROPERTY FROM SALES AND USE TAXES.**

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

SECTION 1. 39-26-114 (11) (a) (II), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

39-26-114. Exemptions - disputes - credits or refunds - repeal.
(11) (a) (II) ~~Except as allowed in section 39-30-106, On or after January 1, 1988~~
JULY 1, 1995, purchases of machinery or machine tools, or parts thereof, in excess of
five hundred dollars ~~by a person engaged in manufacturing~~ to be used in Colorado
directly and exclusively ~~by such person~~ in manufacturing tangible personal property,
for sale or profit, are exempt from taxation under this part 1.

SECTION 2. 39-30-106 (1) (a), Colorado Revised Statutes, 1994 Repl. Vol., is
amended to read:

39-30-106. Sales and use tax - machinery and equipment exempted - repeal.
(1) (a) ON OR AFTER JULY 1, 1995, purchases of machinery or machine tools, or parts
thereof, and materials for the construction or repair of machinery or machine tools,
in excess of five hundred dollars ~~by a person engaged in manufacturing~~ to be used
solely and exclusively in an enterprise zone IN MANUFACTURING TANGIBLE PERSONAL
PROPERTY, FOR SALE OR PROFIT, whether or not such purchases are capitalized or
expensed, are exempt from taxation under article 26 of this title. ~~to the extent that
such purchases do not exceed ten million dollars in each calendar year; except that,
on or after January 1, 1988, all such purchases in excess of five hundred dollars are
exempt from such taxation, without regard to monetary amount.~~

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

SECTION 3. 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: April 7, 1995