

CHAPTER 70

TAXATION

SENATE BILL 01-055

BY SENATOR(S) Phillips and Musgrave;
also REPRESENTATIVE(S) Webster, Larson, and Spradley.

AN ACT

CONCERNING THE TAX STATUS OF CERTAIN SHIPPING AIDS USED IN THE MOVEMENT OF CERTAIN PRODUCTS.

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

SECTION 1. The introductory portion to 39-26-114 (20) (b) (II), Colorado Revised Statutes, is amended to read:

39-26-114. Exemptions - disputes - credits or refunds - definitions - creation of fund. (20) (b) For purposes of this subsection (20):

(II) "Farm equipment" means farm tractors, as defined in section 42-1-102 (33), C.R.S., implements of husbandry, as defined in section 42-1-102 (44), C.R.S., and irrigation equipment having a per unit purchase price of at least one thousand dollars. "Farm equipment" also includes, regardless of purchase price, attachments and bailing wire, binders twine, and surface wrap used primarily and directly in any farm operation. On and after July 1, 2000, "farm equipment" also includes, regardless of purchase price, parts that are used in the repair or maintenance of the farm equipment described in this subparagraph (II), all shipping pallets, CRATES, or aids paid for by a farm operation, and aircraft designed or adapted to undertake agricultural applications. EXCEPT FOR SHIPPING PALLETS, CRATES, OR AIDS USED IN THE TRANSFER OR SHIPPING OF AGRICULTURAL PRODUCTS, "farm equipment" does not include:

SECTION 2. The introductory portion to 39-26-203 (1) (hh) (II), Colorado Revised Statutes, is amended to read:

39-26-203. Exemptions - definitions. (1) This part 2 is declared to be supplementary to the "Emergency Retail Sales Tax Act of 1935", part 1 of this

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

article, and shall not apply:

(hh) To the storage, use, or consumption of farm equipment. For purposes of this paragraph (hh):

(II) "Farm equipment" means farm tractors, as defined in section 42-1-102 (33), C.R.S., implements of husbandry, as defined in section 42-1-102 (44), C.R.S., and irrigation equipment having a per unit purchase price of at least one thousand dollars. "Farm equipment" also includes, regardless of purchase price, attachments and bailing wire, binders twine, and surface wrap used primarily and directly in any farm operation. Effective July 1, 2000, "farm equipment" also includes, regardless of purchase price, parts that are used in the repair or maintenance of the farm equipment described in this subparagraph (II), all shipping pallets, CRATES, or aids paid for by a farm operation, and aircraft designed or adapted to undertake agricultural applications. EXCEPT FOR SHIPPING PALLETS, CRATES, OR AIDS USED IN THE TRANSFER OR SHIPPING OF AGRICULTURAL PRODUCTS, "farm equipment" does not include:

SECTION 3. 29-2-106 (4) (a), Colorado Revised Statutes, is amended to read:

29-2-106. Collection - administration - enforcement. (4) (a) The executive director of the department of revenue shall, at no charge, administer, collect, and distribute the sales tax of any home rule municipality, upon request of the governing body of such municipality, if the provisions of the sales tax ordinance of said municipality, other than those provisions relating to local procedures followed in adopting the ordinance and whether or not the ordinance applies the sales tax to the sale of food, as defined in section 39-26-102 (4.5), C.R.S., or purchases of machinery or machine tools as provided in section 39-26-114 (11), C.R.S., or sales or purchases of electricity, coal, wood, gas, fuel oil, or coke as provided in section 39-26-114 (1) (a) (XXI), C.R.S., or vending machine sales of food as described in section 39-26-114 (7.5), C.R.S., or sales or purchases of farm equipment or farm equipment under lease or contract, parts used in the repair or maintenance of farm equipment, all shipping pallets, CRATES, or aids paid for by a farm operation, AS DEFINED IN SECTION 39-26-114 (20) (b) (III), C.R.S., and aircraft designed or adapted to undertake agricultural applications, as provided in section 39-26-114 (20), C.R.S., or sales of low-emitting motor vehicles, power sources, or parts used for converting such power sources as specified in section 39-26-114 (22), C.R.S., or to pesticides that are registered by the commissioner of agriculture for use in the production of agricultural and livestock products pursuant to the provisions of the "Pesticide Act", article 9 of title 35, C.R.S., and offered for sale by dealers licensed to sell such pesticides pursuant to section 35-9-115, C.R.S., as provided in section 29-2-105 (1) (d), correspond to the requirements of this article for sales taxes imposed by counties, towns, and cities and if no use tax is to be collected by the department except as provided in section 39-26-208, C.R.S. At the time of making such request, said governing body shall certify to the executive director of the department of revenue a true copy of said sales tax ordinance.

SECTION 4. Effective date. This act shall take effect July 1, 2001.

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: March 28, 2001