A BILL FOR AN ACT

CONCERNING THE SALES AND USE TAX TREATMENT OF CERTAIN WHOLESALE SALES RELATED TO THE PRODUCTION OF AGRICULTURAL PRODUCTS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

Wholesale sales are not subject to sales and use taxes. The bill includes sales of fertilizer used in the production of agricultural and livestock products in the definition of "wholesale sales" for sales and use tax purposes.

The bill further specifies that, for purposes of defining a wholesale...
sale, spray adjuvants may be sold for use in the production of agricultural and livestock products.

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

SECTION 1. In Colorado Revised Statutes, 35-12-103, amend the introductory portion and (30) as follows:

35-12-103. Definitions. As used in this article ARTICLE 12, unless the context otherwise requires:

(30) "Specialty fertilizer" means a commercial fertilizer distributed primarily for nonfarm use, such as home gardens, lawns, shrubbery, flowers, golf courses, parks, AND cemeteries. greenhouses, hydroponic facilities, and nurseries.

SECTION 2. In Colorado Revised Statutes, 39-26-102, add (19)(e), (19)(f), and (19)(g) as follows:

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

(19)(e) "WHOLESALE SALE" INCLUDES SALES OF FERTILIZER FOR USE IN THE PRODUCTION OF AGRICULTURAL COMMODITIES. FOR PURPOSES OF THIS SUBSECTION (19)(e), "FERTILIZER" MEANS FERTILIZER AS DEFINED IN SECTION 35-12-103 (12), BUT NOT INCLUDING SPECIALTY FERTILIZER AS DEFINED IN SECTION 35-12-103 (30).

(f) "WHOLESALE SALE" INCLUDES SALES OF SPRAY ADJUVANTS FOR USE IN THE PRODUCTION OF AGRICULTURAL COMMODITIES. FOR PURPOSES OF THIS SUBSECTION (19)(f), "SPRAY ADJUVANTS" MEANS PRODUCTS THAT ARE USED TO INCREASE THE EFFECTIVENESS OF A PESTICIDE.

(g) FOR PURPOSES OF THIS SUBSECTION (19), "AGRICULTURAL COMMODITIES" DOES NOT INCLUDE PRODUCTS REGULATED UNDER ARTICLES 11 AND 12 OF TITLE 44.
SECTION 3. Applicability. This act applies to sales occurring prior to, on, or after the effective date of this act.

SECTION 4. 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.