

CHAPTER 168

TAXATION

HOUSE BILL 98-1269

BY REPRESENTATIVES Sinclair, C. Berry, Epps, Hefley, Leyba, McElhany, Morrison, Salaz, Sullivant, Tucker, Tupa, Veiga, S. Williams, and Zimmerman;
also SENATORS Powers, Chlouber, Schroeder, and Tebedo.

AN ACT

CONCERNING AN EXEMPTION FROM STATE USE TAX FOR CERTAIN DONATIONS OF MANUFACTURED GOODS BY THE MANUFACTURER OF SUCH GOODS, AND, IN CONNECTION THEREWITH, EXEMPTING FROM STATE SALES TAX PURCHASES OF TANGIBLE PERSONAL PROPERTY BY A MANUFACTURER THAT USES SUCH PROPERTY AS A COMPONENT PART OF CERTAIN GOODS THAT IT MANUFACTURES AND DONATES.

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

SECTION 1. 39-26-203 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

39-26-203. Exemptions. (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:

(ff) TO THE STORAGE, USE, OR CONSUMPTION OF MANUFACTURED GOODS, INCLUDING, BUT NOT LIMITED TO, HIGH TECHNOLOGY GOODS, DONATED BY THE MANUFACTURER OF SUCH GOODS TO THE UNITED STATES GOVERNMENT; THE STATE OF COLORADO OR ANY DEPARTMENT, INSTITUTION, OR POLITICAL SUBDIVISION THEREOF; OR ANY ORGANIZATION EXEMPT FROM FEDERAL INCOME TAXES PURSUANT TO SECTION 501 (c) (3) OF THE "INTERNAL REVENUE CODE OF 1986", AS AMENDED, TO THE EXTENT THAT THE AGGREGATE VALUE OF ALL SUCH GOODS INCLUDED IN A SINGLE DONATION EXCEEDS ONE THOUSAND DOLLARS.

SECTION 2. 39-26-114, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

39-26-114. Exemptions - disputes - credits or refunds. (20) ALL SALES AND PURCHASES OF TANGIBLE PERSONAL PROPERTY BY A MANUFACTURER THAT USES SUCH

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

PROPERTY AS A COMPONENT PART OF GOODS THAT IT MANUFACTURES, INCLUDING, BUT NOT LIMITED TO, HIGH TECHNOLOGY GOODS, AND THAT DONATES SUCH GOODS TO THE UNITED STATES GOVERNMENT; THE STATE OF COLORADO OR ANY DEPARTMENT, INSTITUTION, OR POLITICAL SUBDIVISION THEREOF; OR ANY ORGANIZATION EXEMPT FROM FEDERAL INCOME TAXES PURSUANT TO SECTION 501 (c) (3) OF THE "INTERNAL REVENUE CODE OF 1986", AS AMENDED, TO THE EXTENT THAT THE AGGREGATE VALUE OF THE GOODS INCLUDED IN A SINGLE DONATION EXCEEDS ONE THOUSAND DOLLARS SHALL BE EXEMPT FROM TAXATION UNDER THIS PART 1.

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 22, 1998