

CHAPTER 191

TAXATION

HOUSE BILL 12-1045

BY REPRESENTATIVE(S) Bradford, Barker, Brown, Conti, Coram, DelGrosso, Ferrandino, Gardner B., Gerou, Hamner, Holbert, Kerr A., Kerr J., Labuda, Liston, Looper, Massey, Nikkel, Pace, Priola, Ramirez, Scott, Stephens, Summers, Todd, Vigil, Wilson, McNulty;
also SENATOR(S) King S., Aguilar, Foster, Guzman, Heath, Jahn, Johnston, Neville, Newell, Nicholson, Roberts, Schwartz, White.

AN ACT**CONCERNING SALES AND USE TAX EXEMPTIONS FOR THE SALE AND USE OF WOOD FROM TREES HARVESTED IN COLORADO DAMAGED BY BEETLES.**

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

SECTION 1. In Colorado Revised Statutes, **amend** 39-26-723 as follows:

39-26-723. Colorado wood products - repeal. (1) For fiscal years commencing on or after July 1, 2008, but prior to the fiscal year commencing on ~~July 1, 2013~~, ~~there shall be exempt from taxation under the provisions of parts 1 and 2 of this article~~ **JULY 1, 2020**, all sales, storage, and use of wood from salvaged trees killed or infested in Colorado by mountain pine beetles OR SPRUCE BEETLES, including but not limited to products such as lumber, furniture built from the salvaged trees, and wood chips or wood pellets generated from the salvaged trees, ARE EXEMPT FROM TAXATION UNDER THE PROVISIONS OF PARTS 1 AND 2 OF THIS ARTICLE.

(2) For purposes of the exemption specified in subsection (1) of this section, a wholesaler shall certify on a form prescribed by the department of revenue that a product is from salvaged trees killed or infested in Colorado by mountain pine beetles OR SPRUCE BEETLES.

(3) This section is repealed, effective ~~July 1, 2014~~ **JULY 1, 2021**.

SECTION 2. In Colorado Revised Statutes, 29-2-105, **amend** (1) (d) (I) (I) as follows:

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

29-2-105. Contents of sales tax ordinances and proposals. (1) The sales tax ordinance or proposal of any incorporated town, city, or county adopted pursuant to this article shall be imposed on the sale of tangible personal property at retail or the furnishing of services, as provided in paragraph (d) of this subsection (1). Any countywide or incorporated town or city sales tax ordinance or proposal shall include the following provisions:

(d)(I) A provision that the sale of tangible personal property and services taxable pursuant to this article shall be the same as the sale of tangible personal property and services taxable pursuant to section 39-26-104, C.R.S., except as otherwise provided in this paragraph (d). The sale of tangible personal property and services taxable pursuant to this article shall be subject to the same sales tax exemptions as those specified in part 7 of article 26 of title 39, C.R.S.; except that the sale of the following may be exempted from a town, city, or county sales tax only by the express inclusion of the exemption either at the time of adoption of the initial sales tax ordinance or resolution or by amendment thereto:

(I) The exemption for sales of wood from salvaged trees killed or infested in Colorado by mountain pine beetles OR SPRUCE BEETLES AS specified in section 39-26-723, C.R.S.;

SECTION 3. In Colorado Revised Statutes, 29-2-109, **amend** (1) introductory portion as follows:

29-2-109. Contents of use tax ordinances and proposals. (1) The use tax ordinance, resolution, or proposal of any town, city, or county adopted pursuant to this article shall be imposed only for the privilege of using or consuming in the town, city, or county any construction and building materials purchased at retail or for the privilege of storing, using, or consuming in the town, city, or county any motor and other vehicles, purchased at retail on which registration is required, or both. For the purposes of this subsection (1), the term "construction and building materials" shall not include parts or materials utilized in the fabrication, construction, assembly, or installation of passenger tramways, as defined in section 25-5-702 (4), C.R.S., by any ski area operator, as defined in section 33-44-103 (7), C.R.S., or any person fabricating, constructing, assembling, or installing a passenger tramway for a ski area operator. The ordinance, resolution, or proposal may recite that the use tax shall not apply to the storage and use of wood from salvaged trees killed or infested in Colorado by mountain pine beetles OR SPRUCE BEETLES as exempted from the state use tax pursuant to section 39-26-723, C.R.S. The ordinance, resolution, or proposal may recite that the use tax shall not apply to the storage and use of components used in the production of energy, including but not limited to alternating current electricity, from a renewable energy source, as exempted from the state use tax pursuant to section 39-26-724, C.R.S. The ordinance, resolution, or proposal shall recite that the use tax shall not apply:

SECTION 4. Applicability. This act applies to the sales, storage, and use on or after July 1, 2012, of wood from salvaged trees killed or infested in Colorado by spruce beetles.

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 21, 2012