

## CHAPTER 251

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**TAXATION**

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**HOUSE BILL 12-1037**

BY REPRESENTATIVE(S) Becker, Acree, Barker, Beezley, Bradford, Brown, Coram, DelGrosso, Gerou, Looper, Massey, Pace, Priola, Scott, Sonnenberg, Stephens, Vigil, Wilson;  
also SENATOR(S) Tochtrop, Brophy, Cadman, Guzman, Jahn, King K., Lambert, Lundberg.

**AN ACT****CONCERNING THE CLASSIFICATION OF THE SALES OF CERTAIN ITEMS USED IN AGRICULTURAL PRODUCTION AS WHOLESALE SALES.**

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

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

**29-2-105. Contents of sales tax ordinances and proposals - repeal.** (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:

(H) BEFORE JULY 1, 2012, the exemption for sales of pesticides specified in section 39-26-716 (2) (e), C.R.S. THIS SUB-SUBPARAGRAPH (H) IS REPEALED, EFFECTIVE JUNE 30, 2013.

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*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 2.** In Colorado Revised Statutes, 39-26-102, **amend** (19) as follows:

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

(19) (a) "Wholesale sale" means a sale by wholesalers to retail merchants, jobbers, dealers, or other wholesalers for resale and does not include a sale by wholesalers to users or consumers not for resale, and the latter sales shall be deemed retail sales and subject to the provisions of this article.

(b) ~~This term~~ "WHOLESALE SALE" includes sales of all pre-press preparation printing materials, as defined by IN subsection (6.7) of this section, ~~which~~ THAT are used by a printer for a specific printing contract where the printed product is sold at retail to a customer accepting delivery within this state.

(c) (I) "WHOLESALE SALE" INCLUDES SALES OF AGRICULTURAL COMPOUNDS AND SPRAY ADJUVANTS TO BE CONSUMED BY, ADMINISTERED TO, OR OTHERWISE USED IN CARING FOR LIVESTOCK AND ALL SALES OF SEMEN FOR AGRICULTURAL OR RANCHING PURPOSES.

(II) FOR PURPOSES OF THIS PARAGRAPH (c), "AGRICULTURAL COMPOUNDS" MEANS:

(A) INSECTICIDES, FUNGICIDES, GROWTH-REGULATING CHEMICALS, ENHANCING COMPOUNDS, VACCINES, AND HORMONES;

(B) DRUGS, WHETHER DISPENSED IN ACCORDANCE WITH A PRESCRIPTION OR NOT, THAT ARE USED FOR THE PREVENTION OR TREATMENT OF DISEASE OR INJURY IN LIVESTOCK;

(C) ANIMAL PHARMACEUTICALS THAT HAVE BEEN APPROVED BY THE FOOD AND DRUG ADMINISTRATION.

(III) FOR PURPOSES OF THIS PARAGRAPH (c), "SPRAY ADJUVANTS" MEANS PRODUCTS THAT ARE USED TO INCREASE THE EFFECTIVENESS OF A PESTICIDE.

(d) "WHOLESALE SALE" INCLUDES SALES OF PESTICIDES THAT ARE REGISTERED BY THE COMMISSIONER OF AGRICULTURE FOR USE IN THE PRODUCTION OF AGRICULTURAL AND LIVESTOCK PRODUCTS PURSUANT TO 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.

**SECTION 3.** In Colorado Revised Statutes, 39-26-716, **amend** (2) (d), (2) (e), (3) (d), and (3) (e) as follows:

**39-26-716. Agriculture and livestock - special fuels - definitions - repeal.** (2) The following shall be exempt from taxation under the provisions of part 1 of this article:

(d) (I) BEFORE JULY 1, 2012, all sales and purchases of agricultural compounds

to be consumed by, administered to, or otherwise used in caring for livestock and all sales and purchases of semen for agricultural or ranching purposes. ~~and~~

(II) THIS PARAGRAPH (d) IS REPEALED, EFFECTIVE JUNE 30, 2013.

(e) (I) BEFORE JULY 1, 2012, all sales and purchases of 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.

(II) THIS PARAGRAPH (e) IS REPEALED, EFFECTIVE JUNE 30, 2013.

(3) The following shall be exempt from taxation under the provisions of part 2 of this article:

(d) (I) BEFORE JULY 1, 2012, the storage, use, or consumption of agricultural compounds to be consumed by, administered to, or otherwise used in caring for livestock and semen used for agricultural or ranching purposes. ~~and~~

(II) THIS PARAGRAPH (d) IS REPEALED, EFFECTIVE JUNE 30, 2013.

(e) (I) BEFORE JULY 1, 2012, the storage, use, or consumption of 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.

(II) THIS PARAGRAPH (e) IS REPEALED, EFFECTIVE JUNE 30, 2013.

**SECTION 4. Effective date.** This act takes effect upon passage; except that section 2 of this act takes effect July 1, 2012.

**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: June 4, 2012