

CHAPTER 229

TAXATION

HOUSE BILL 14-1159

BY REPRESENTATIVE(S) Young and Dore, Fischer, Lebsack, McLachlan, Mitsch Bush, Vigil, Becker, Buckner, Exum, Hullinghorst, Labuda, Lee, Melton, Pabon, Rosenthal, Ryden, Schafer, Scott, Singer, Sonnenberg, Tyler; also SENATOR(S) Schwartz and Crowder, Aguilar, Guzman, Hodge, Kerr, Newell, Nicholson, Steadman.

AN ACT**CONCERNING A STATE SALES AND USE TAX EXEMPTION FOR COMPONENTS USED IN BIOGAS PRODUCTION SYSTEMS.**

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

SECTION 1. In Colorado Revised Statutes, 39-26-724, **amend** (2) (a); and **add** (1) (c) and (2) (a.5) as follows:

39-26-724. Components used to produce energy from a renewable energy source - definitions - repeal. (1) (c) (I) ON AND AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH (c), ALL SALES, STORAGE, AND USE OF COMPONENTS USED IN BIOGAS PRODUCTION SYSTEMS FOR THE PRODUCTION OF BIOGAS FOR SALE TO A POWER GENERATOR, AS A TRANSPORTATION FUEL, OR AS RENEWABLE NATURAL GAS ARE EXEMPT FROM TAXATION UNDER PARTS 1 AND 2 OF THIS ARTICLE.

(II) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JULY 1, 2019.

(2) As used in this section:

(a) (I) ~~"Components used in solar thermal systems" shall include, but shall not be limited to:~~

~~(f) Solar collectors, including flat-plate collectors, evacuated tube collectors, solar air collectors, and concentrating solar thermal collectors;~~

~~(H) Tanks for the storage of gases or liquids that have been heated or cooled by solar-generated energy;~~

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

~~(III) Pumps, impellers, and fans for the circulation of gases or liquids that have been heated or cooled by solar-generated energy;~~

~~(IV) Heat exchangers used to transfer solar-generated energy;~~

~~(V) Support structures, racks, and foundations for any components listed in subparagraphs (I) to (IV) of this paragraph (a); and~~

~~(VI) Any other system components such as piping, valves, gauges, fittings, insulation, and controls for any components listed in subparagraphs (I) to (IV) of this paragraph (a):~~ "COMPONENTS USED IN BIOGAS PRODUCTION SYSTEMS" INCLUDES ALL TANGIBLE PERSONAL PROPERTY USED IN CONNECTION WITH THE PRODUCTION OF BIOGAS AND RELATED SOLID BY-PRODUCTS AND LIQUID BY-PRODUCTS, INCLUDING BUT NOT LIMITED TO:

(A) ANAEROBIC DIGESTION SYSTEMS, INCLUDING BUT NOT LIMITED TO TRUCK WEIGHING EQUIPMENT, TRUCK UNLOADING EQUIPMENT, MANURE RECEIVING PITS, SUBSTRATE STORAGE TANKS, SUBSTRATE RECEIVING PITS, DOSING TANKS, ANAEROBIC DIGESTER TANKS, NATURAL GAS-FIRED BOILERS, BLOWERS, PUMPS, ELECTRICAL EQUIPMENT, CONTROL SYSTEMS, PIPING, VALVES, AND RELATED TANGIBLE PERSONAL PROPERTY;

(B) BIOGAS UPGRADE SYSTEMS, INCLUDING BUT NOT LIMITED TO PRESSURIZED GAS PROCESSING TECHNOLOGY SYSTEMS, OXYGEN REMOVAL GAS SYSTEMS, BOOSTER COMPRESSORS, GROUND FLARES, DRYERS, PUMPS, ELECTRICAL EQUIPMENT, CONTROL SYSTEMS, GAS PIPELINE INTERCONNECTION EQUIPMENT, PIPING, VALVES, HYDROGEN SULFIDE GAS CLEAN UP SYSTEMS, AND RELATED TANGIBLE PERSONAL PROPERTY; AND

(C) DIGESTED SOLIDS SYSTEMS, INCLUDING BUT NOT LIMITED TO HOLDING PITS, CENTRIFUGES, OTHER DEWATERING EQUIPMENT, PUMPS, ELECTRICAL EQUIPMENT, CONTROL SYSTEMS, CONVEYORS, WATER STORAGE PONDS AND RELATED EQUIPMENT, PIPING, VALVES, AND RELATED TANGIBLE PERSONAL PROPERTY.

(II) THIS PARAGRAPH (a) IS REPEALED, EFFECTIVE JULY 1, 2019.

(a.5) "COMPONENTS USED IN SOLAR THERMAL SYSTEMS" INCLUDE, BUT ARE NOT LIMITED TO:

(I) SOLAR COLLECTORS, INCLUDING FLAT-PLATE COLLECTORS, EVACUATED TUBE COLLECTORS, SOLAR AIR COLLECTORS, AND CONCENTRATING SOLAR THERMAL COLLECTORS;

(II) TANKS FOR THE STORAGE OF GASES OR LIQUIDS THAT HAVE BEEN HEATED OR COOLED BY SOLAR-GENERATED ENERGY;

(III) PUMPS, IMPELLERS, AND FANS FOR THE CIRCULATION OF GASES OR LIQUIDS THAT HAVE BEEN HEATED OR COOLED BY SOLAR-GENERATED ENERGY;

(IV) HEAT EXCHANGERS USED TO TRANSFER SOLAR-GENERATED ENERGY;

(V) SUPPORT STRUCTURES, RACKS, AND FOUNDATIONS FOR ANY COMPONENTS LISTED IN SUBPARAGRAPHS (I) TO (IV) OF THIS PARAGRAPH (a.5); AND

(VI) ANY OTHER SYSTEM COMPONENTS SUCH AS PIPING, VALVES, GAUGES, FITTINGS, INSULATION, AND CONTROLS FOR ANY COMPONENTS LISTED IN SUBPARAGRAPHS (I) TO (IV) OF THIS PARAGRAPH (a.5).

SECTION 2. In Colorado Revised Statutes, 29-2-105, **add** (1) (d) (I) (N) 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:

(N) THE EXEMPTION FOR SALES OF COMPONENTS USED IN BIOGAS PRODUCTION SYSTEMS SPECIFIED IN SECTION 39-26-724(1)(c), C.R.S. THIS SUB-SUBPARAGRAPH (N) IS REPEALED, EFFECTIVE JULY 1, 2019.

SECTION 3. In Colorado Revised Statutes, 29-2-109, **add** (1.5) as follows:

29-2-109. Contents of use tax ordinances and proposals - repeal. (1.5)(a) THE USE TAX ORDINANCE, RESOLUTION, OR PROPOSAL OF ANY TOWN, CITY, OR COUNTY ADOPTED PURSUANT TO THIS ARTICLE MAY RECITE THAT THE USE TAX DOES NOT APPLY TO THE STORAGE AND USE OF COMPONENTS USED IN BIOGAS PRODUCTION SYSTEMS, AS EXEMPTED FROM THE STATE USE TAX PURSUANT TO SECTION 39-26-724(1)(c), C.R.S.

(b) THIS SUBSECTION (1.5) IS REPEALED, EFFECTIVE JULY 1, 2019.

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.

Approved: May 17, 2014