

**First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 17-0972.01 Esther van Mourik x4215

**SENATE BILL 17-208**

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**SENATE SPONSORSHIP**

**Priola,**

**HOUSE SPONSORSHIP**

**(None),**

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**Senate Committees**

Finance  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING SALES AND USE TAX TREATMENT OF EQUIPMENT USED IN**  
102                  **CONSTRUCTION MATERIALS MINING OPERATIONS, AND, IN**  
103                  **CONNECTION THEREWITH, REDUCING AN APPROPRIATION.**

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**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>.)*

Purchases of machinery or machine tools to be used in Colorado directly and predominantly in manufacturing tangible personal property are currently exempt from state sales and use tax. The bill extends the exemption to machinery or machine tools purchased by a business for construction materials mining operations.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

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

2           **SECTION 1.** In Colorado Revised Statutes, 39-26-709, **amend**  
3 (1)(c)(III) as follows:

4           **39-26-709. Machinery and machine tools - definitions.**

5 (1) (c) As used in this subsection (1):

6           (III) "Manufacturing" means the operation of producing a new  
7 product, article, substance, or commodity different from and having a  
8 distinctive name, character, or use from raw or prepared materials,  
9 including the:

10           (A) Processing of recovered materials; AND

11           (B) PROCESSING OF MATERIALS FROM A CONSTRUCTION  
12 MATERIALS MINING OPERATION AS DEFINED IN SECTION 34-32.5-103,  
13 INCLUDING ANY CONCENTRATING, MILLING, EVAPORATION, CLEANING,  
14 PREPARATION, TRANSPORTATION, AND OTHER OFF-SITE OPERATIONS NOT  
15 CONDUCTED ON AFFECTED LAND.

16           **SECTION 2.** In Colorado Revised Statutes, 29-2-105, **amend**  
17 (1)(d)(I)(A); and add (1)(d)(I)(A.7) as follows:

18           **29-2-105. Contents of sales tax ordinances and proposals -**  
19 **repeal.** (1) The sales tax ordinance or proposal of any incorporated town,  
20 city, or county adopted pursuant to this article shall be imposed on the  
21 sale of tangible personal property at retail or the furnishing of services,  
22 as provided in paragraph (d) of this subsection (1). Any countywide or  
23 incorporated town or city sales tax ordinance or proposal shall include the  
24 following provisions:

25           (d) (I) A provision that the sale of tangible personal property and  
26 services taxable pursuant to this article shall be the same as the sale of

1 tangible personal property and services taxable pursuant to section  
2 39-26-104, C.R.S., except as otherwise provided in this paragraph (d).  
3 The sale of tangible personal property and services taxable pursuant to  
4 this article shall be subject to the same sales tax exemptions as those  
5 specified in part 7 of article 26 of title 39, C.R.S.; except that the sale of  
6 the following may be exempted from a town, city, or county sales tax only  
7 by the express inclusion of the exemption either at the time of adoption  
8 of the initial sales tax ordinance or resolution or by amendment thereto:

9       (A) The exemption for sales of machinery or machine tools  
10 specified in section 39-26-709 (1), C.R.S., other than machinery or  
11 machine tools used in the processing of recovered materials by a business  
12 listed in the inventory prepared by the department of public health and  
13 environment pursuant to section 30-20-122 (1) (a) (V), C.R.S., AND  
14 OTHER THAN MACHINERY OR MACHINE TOOLS USED IN THE PROCESSING OF  
15 MATERIALS FROM A CONSTRUCTION MATERIALS MINING OPERATION AS  
16 DEFINED IN SECTION 34-32.5-103, THAT ARE LOCATED OUTSIDE OF AN  
17 ENTERPRISE ZONE AS DEFINED IN SECTION 39-30-103, INCLUDING ANY  
18 CONCENTRATING, MILLING, EVAPORATION, CLEANING, PREPARATION,  
19 TRANSPORTATION, AND OTHER OFF-SITE OPERATIONS NOT CONDUCTED ON  
20 AFFECTED LAND;

21       (A.7) THE EXEMPTION FOR SALES OF MACHINERY OR MACHINE  
22 TOOLS SPECIFIED IN SECTION 39-26-709 (1), USED IN THE PROCESSING OF  
23 MATERIALS FROM A CONSTRUCTION MATERIALS MINING OPERATION AS  
24 DEFINED IN SECTION 34-32.5-103, THAT ARE LOCATED OUTSIDE OF AN  
25 ENTERPRISE ZONE AS DEFINED IN SECTION 39-30-103, INCLUDING ANY  
26 CONCENTRATING, MILLING, EVAPORATION, CLEANING, PREPARATION,  
27 TRANSPORTATION, AND OTHER OFF-SITE OPERATIONS NOT CONDUCTED ON

1 AFFECTED LAND:

2 **SECTION 3. Appropriation - adjustments to 2017 long bill. To**  
3 **implement this act, the general fund appropriation made in the annual**  
4 **general appropriation act for the 2017-18 state fiscal year to the**  
5 **department of revenue for use by the taxpayer service division for**  
6 **operating expenses is decreased by \$42,500.**

7 **SECTION 4. Applicability.** This act applies to sales of  
8 machinery and machine tools occurring on or after July 1, 2017.

9 **SECTION 5. Safety clause.** The general assembly hereby finds,  
10 determines, and declares that this act is necessary for the immediate  
11 preservation of the public peace, health, and safety.