

Second Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 20-0537.02 Esther van Mourik x4215

HOUSE BILL 20-1115

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HOUSE SPONSORSHIP

Catlin and McLachlan,

SENATE SPONSORSHIP

Coram,

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House Committees

Finance  
Appropriations

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING A SALES TAX EXEMPTION FOR FENCING MATERIAL USED  
102 IN A FARM OPERATION.

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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>.)*

The bill creates a sales tax exemption for fencing material used in a farm operation.

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

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

1           **SECTION 1. Legislative declaration.** The general assembly  
2 hereby finds and declares that the purpose of this act is to exempt certain  
3 fencing materials used in farm operations from sales and use tax because  
4 the fencing materials are a necessary input cost of crop production and  
5 animal husbandry in the state.

6           **SECTION 2.** In Colorado Revised Statutes, 39-26-716, **amend**  
7 (4) introductory portion; and **add** (1)(f) and (4)(d) as follows:

8           **39-26-716. Agriculture and livestock - special fuels -**  
9 **definitions.** (1) For purposes of this section, unless the context otherwise  
10 requires:

11           (f) "FENCING MATERIAL" INCLUDES BARBED WIRE, SMOOTH WIRE,  
12 STRAINERS, TENSIONERS, FENCING STAPLES, "T" POSTS AND WIRE CLIPS,  
13 TREATED ROUND POSTS, PREFABRICATED WELDED FENCE PANELS,  
14 AGRICULTURAL CORRAL-TYPE GATES, ELECTRIC FENCING POSTS, SOLAR  
15 PANELS FOR ELECTRIC FENCES, RIBBON, ROPE, AND BRAIDED WIRE.

16           (4) The following shall be exempt from taxation under the  
17 provisions of parts 1 and 2 of this ~~article~~ ARTICLE 26:

18           (d) (I) ALL SALES AND PURCHASES OF FENCING MATERIAL USED IN  
19 A FARM OPERATION.

20           (II) TO RECEIVE AN EXEMPTION UNDER THIS SUBSECTION (4)(d),  
21 THE PURCHASER MUST FILE A DECLARATION OF ENTITLEMENT WITH THE  
22 RETAILER.

23           **SECTION 3. Act subject to petition - effective date -**  
24 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
25 the expiration of the ninety-day period after final adjournment of the  
26 general assembly (August 5, 2020, if adjournment sine die is on May 6,  
27 2020); except that, if a referendum petition is filed pursuant to section 1

1 (3) of article V of the state constitution against this act or an item, section,  
2 or part of this act within such period, then the act, item, section, or part  
3 will not take effect unless approved by the people at the general election  
4 to be held in November 2020 and, in such case, will take effect on the  
5 date of the official declaration of the vote thereon by the governor.

6 (2) This act applies to fencing material purchased on and after  
7 January 1, 2021.