

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 13-0534.01 Ed DeCecco x4216

HOUSE BILL 13-1189

HOUSE SPONSORSHIP

Wright, Holbert, Everett, Nordberg, Szabo, Navarro, Scott, Waller, Priola, Sonnenberg, McNulty, Conti, Murray, Swalm, Gardner, Saine, Joshi, Landgraf, Lawrence, Wilson

SENATE SPONSORSHIP

Lambert, Marble

House Committees

State, Veterans, & Military Affairs
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A PROPERTY TAX EXEMPTION FOR BUSINESS PERSONAL**
102 **PROPERTY THAT IS PURCHASED DURING THE 2014 CALENDAR**
103 **YEAR.**

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://www.leg.state.co.us/billsummaries>.)

The bill exempts business personal property that is purchased during the 2014 calendar year from the levy and collection of property tax. For state-assessed public utilities, property must also be placed into service in the state in order to be exempt.

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. Legislative declaration.** The general assembly
3 hereby declares that the intended purpose of the tax exemption in this act
4 is to stimulate the economy by providing an incentive for businesses to
5 purchase new business personal property.

6 **SECTION 2.** In Colorado Revised Statutes, **amend** 39-3-118.5
7 as follows:

8 **39-3-118.5. Business personal property - exemption.** (1) For
9 property tax years commencing on and after January 1, 1996, business
10 personal property ~~shall be~~ is exempt from the levy and collection of
11 property tax until such business personal property is first used in the
12 business after acquisition.

13 (2) BUSINESS PERSONAL PROPERTY THAT IS PURCHASED DURING
14 THE 2014 CALENDAR YEAR IS EXEMPT FROM THE LEVY AND COLLECTION
15 OF PROPERTY TAX FOR AS LONG AS THE PROPERTY IS USED BY THE
16 TAXPAYER WHO PURCHASED THE PROPERTY. THIS EXEMPTION DOES NOT
17 APPLY TO BUSINESS PERSONAL PROPERTY THAT IS SOLD AND REPURCHASED
18 OR LEASED BACK BY THE SAME TAXPAYER OR TO PROPERTY TRANSFERRED
19 AS PART OF A MERGER OR ACQUISITION.

20 **SECTION 3.** In Colorado Revised Statutes, 39-4-102, **add** (3) (e)
21 as follows:

22 **39-4-102. Valuation of public utilities.** (3) (e) BUSINESS
23 PERSONAL PROPERTY OWNED BY A PUBLIC UTILITY THAT MEETS THE
24 REQUIREMENTS OF SECTION 39-3-118.5 (2) AND THAT IS PLACED INTO
25 SERVICE IN COLORADO IS EXEMPT FROM THE LEVY AND COLLECTION OF
26 PROPERTY TAX. THE VALUE OF THE EXEMPT PROPERTY IS REMOVED FROM

1 THE SYSTEM MARKET VALUE AND IS DETERMINED BY APPLYING THE
2 MARKET-TO-BOOK RATIO TO THE NET OF THE HISTORICAL COST LESS
3 DEPRECIATION OF THE BUSINESS PERSONAL PROPERTY.

4 **SECTION 4. Act subject to petition - effective date.** This act
5 takes effect at 12:01 a.m. on the day following the expiration of the
6 ninety-day period after final adjournment of the general assembly (August
7 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a
8 referendum petition is filed pursuant to section 1 (3) of article V of the
9 state constitution against this act or an item, section, or part of this act
10 within such period, then the act, item, section, or part will not take effect
11 unless approved by the people at the general election to be held in
12 November 2014 and, in such case, will take effect on the date of the
13 official declaration of the vote thereon by the governor.