



**COLORADO**  
**Department of Revenue**

Taxation Division

Physical Address:  
1375 Sherman Street  
Denver, CO 80203

Mailing Address:  
P.O. Box 17087  
Denver, CO 80217-0087

February 14, 2019

XXXXXX  
Attn: XXXXXX  
XXXXXX  
XXXXXX

Re: Revocation of PLR-16-002, Oil and Gas Well Cementing Products and Services

Dear XXXXXX:

On March 8, 2016, the Department of Revenue issued to XXXXXX ("Company") PLR-16-002, addressing sales and use taxes on Oil and Gas Well Cementing Products and Services. Please be advised that the Department of Revenue has revoked PLR-16-002 pursuant to 1 CCR 201-1, Regulation 24-35-103.5(10)(c)(i). This revocation is effective as of the date of this letter.

PLR-16-002 is no longer binding on the Department as of the effective revocation date, and should not, therefore, be relied upon as guidance on or after such date. Any other advice issued by the Department that relies on PLR-16-002 is likewise rescinded, but only to the extent that it is dependent upon the conclusions in PLR-16-002. Such advice should also not be relied upon as guidance on or after the effective revocation date.

Going forward and until otherwise changed by statute, regulation, case law, or other lawful means, the Department will consider the Company to be a contractor who consumes, rather than resells, the materials that it uses to cement wells. As a contractor, the Company is obligated to pay sales or uses taxes on those materials in accordance with Article 26 of Title 39 of the Colorado Revised Statutes.

Should you require guidance beyond that provided in Colorado's tax statutes, you should consult the Department's rules and regulations, which are published by the Secretary of State. Should you require additional guidance regarding a particular transaction or factual scenario, you can request a Private Letter Ruling (PLR) or General Information Letter (GIL). Requests for PLRs and GILs must comply with certain requirements, which are currently set forth at 1 CCR 201-1, Regulation 24-35-103.5. PLRs are binding upon the Department only with respect to the specific taxpayer that requested the PLR. GILs are for informational purposes only and are not binding on the Department.

Sincerely,

Office of Tax Policy Analysis  
Colorado Department of Revenue