

FYI – For Your Information

Sales Tax Exemption on Beetle Wood Products

GENERAL INFORMATION

Effective July 1, 2008, products made of wood salvaged from Colorado trees that have been infested by mountain pine beetles are exempt from state sales and use tax. [§39-26-723, C.R.S.] This exemption will expire on June 30, 2013.

PRODUCTS THAT ARE EXEMPT

This exemption applies to products such as lumber from salvaged trees, furniture built with wood from salvaged trees, wood chips or wood pellets generated from salvaged trees, or other products made substantially with wood from salvaged trees, such as pencils.

CERTIFICATION BY WHOLESALERS

Wholesalers of products made from beetle wood must certify that the product was made from salvaged trees killed or infested in Colorado. They must ascertain this from their manufacturer or supplier and complete Form DR 1240. This form must be signed by the wholesaler, who should make copies to provide to retailers for their records when the retailers make tax-exempt sales of these products. A signed original should be sent to the Field Audit Section of the Department of Revenue at the address listed on the certification form.

LOCAL SALES AND USE TAX

This exemption does not apply to any state-collected city or county sales tax unless the city or county has enacted the exemption pursuant to §29-2-105(1)(d)(I)(I), C.R.S. The exemption does apply to sales

and use tax for the Regional Transportation District (RTD), Scientific and Cultural District, Football Stadium District, and Regional Transportation Authorities (RTA).

Refer to publication DR 1002 Colorado Sales and Use Tax Rates for a list of localities that grant this exemption. This publication is located on the Web at www.taxcolorado.com

FURTHER INFORMATION

FYIs and commonly used forms are available on the Web at www.taxcolorado.com

For additional tax information visit the "Tax Information Index" which covers a variety of topics including links to forms, publications, regulations, statutes and general questions and answers. The "Tax Information Index" is located at www.taxcolorado.com

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having authority to bind the Department, has not formally reviewed and/or approved these FYIs.



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