



## GAS, ELECTRIC, AND HEATING SERVICES

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This tax guide is prepared and published for the information of the general public and all persons in business pursuits who would be required to make payment of Sales Tax or Use Tax under provisions of the City of Fort Collins Sales and Use Tax Code, as well as for the guidance of the City employees whose responsibility it is to collect the taxes imposed by the Tax Code and the enforcement thereof. The following guide is exactly as it says, a GUIDE, and not to be used in any case of law. Please refer to the City of Fort Collins Sales Tax Ordinance for any references to your particular business operation for the official laws imposed by the City.

Sales and purchases of electricity, steam, natural gas, coal, fuel and firewood for any purposes are subject to Fort Collins sales and use tax unless for resale or as noted below. Sales to government, religious or charitable corporations for their use are exempt.

Fuel used in a continuing activity of producing tangible personal property or taxable services, including, but not limited to, processing, manufacturing, mining, refining, irrigation, telecommunication services, and street and railroad transportation services, are exempt from City of Fort Collins sales tax.

Sales of electricity, steam, natural gas, coal, fuel and firewood to residences are subject to Fort Collins sales and use tax. It does not matter whether any of the above are furnished by a municipal, public or private corporation.

The State of Colorado may have different rules and should be contacted separately.

### EXAMPLE

Couch Potato Manufacturing has a facility in the City limits of Fort Collins. The company consumed \$10,000 of electricity. Ninety percent of the usage was for manufacturing purposes and 10% was for office space. Since 90% of the usage was for manufacturing purposes, \$9,000 of the electricity bill would be exempt from the City of Fort Collins sales/use tax, while the balance of \$1,000 is subject to the City of Fort Collins sales/use tax.

### CITY OF FORT COLLINS SALES AND USE TAX ORDINANCE

|                             |                       |
|-----------------------------|-----------------------|
| Section 25-71               | Definitions.          |
| Section 25-73 (b) (6)       | Taxable transactions. |
| Section 25-73 (c) (3)       | Exemptions.           |
| Section 25-74 (b) (3) & (8) | Exemptions.           |

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