



FYI Sales 76

Sales and Use Tax Exemption on Pesticides

Effective July 1, 1999, purchases of pesticides or other substances registered by the Colorado Commissioner of Agriculture as agricultural use pesticides under the Pesticide Act (C.R.S. 39-9-101 et. Seq.) are exempt from state sales and use tax and any special district sales and use tax when purchased from a dealer licensed and registered under section 35-9-115 of the act. [§39-26-716(2)(e), C.R.S.]

However, from March 1, 2010 to June 30, 2011 sales, purchases, storage, use or consumption of pesticides that are registered by the commissioner of agriculture for use in the production of agriculture and livestock products pursuant to the "Pesticides Act" were no longer exempt from state sales or use tax. If pesticides were purchased by the consumer between March 1, 2010 and June 30, 2011 and did not include the sales tax, the consumer must file a Consumer Use Tax Return (DR 0252) to report and pay the tax.

Substances not registered for agricultural use are taxable and any purchase from a non-registered dealer is taxable.

Licensed pesticide dealers can inform their customers about pesticides that are registered under the Pesticide Act. Any pesticide qualified for agricultural use will have a statement on the packaging in "Worker Protection Box," or in "Directions for Use."

Contact the Colorado Department of Agriculture at (303) 239-4144 to obtain the "Restricted Use Pesticides Dealers List."

Unless cities and counties have adopted an ordinance or resolution to exempt pesticides, local taxes are due on the purchase or sale of pesticides. Refer to Colorado Sales/Use Taxes (DR 1002) to determine if a city or county has allowed this exemption. Home-rule cities are also listed in the DR 1002. Some home-rule cities enact their own sales tax ordinances and collect their own taxes. Contact home-rule cities directly for their rules regarding sales taxes.

Effective July 1, 2012 sales of pesticides are considered wholesale sales and are not subject to state or state collected local sales or use taxes. Spray adjuvants used to increase the effectiveness of pesticides are also considered wholesale sales and are not subject to state or state collected local sales or use taxes. After July 1, 2012 sales of pesticides should be recorded on the Colorado Retail Sales Tax Return (DR 0100) Deductions and Exemptions Schedule, line 2b(8), other deductions, sales of agricultural compounds and pesticides. After July 1, 2012 sales of pesticides should NOT be recorded on line 3b(5) local exemptions, pesticides.

Home-rule/self-administered cities enact their own sales tax ordinances and collect their own taxes. Contact these cities directly for rules regarding sales taxes. For a list of home-rule cities, see Colorado Sales/Use Taxes (DR 1002).

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 the authority to bind the Department, has not formally reviewed and/or approved these FYIs.