

Wood from salvaged trees killed or infested in Colorado by mountain pine beetles or spruce beetles are exempt from Colorado sales and use tax. These beetle wood products are generally exempt from state-administered special district sales taxes, but are not exempt from most state-administered city and county sales taxes. The exemption is in effect generally between July 1, 2008 and June 20, 2026, but did not apply between July 1, 2020 and June 30, 2021. Wholesalers must certify tax-exempt beetle wood products using the applicable Department form.

This publication is designed to provide general guidance regarding the sales and use tax exemption allowed for beetle wood products and to supplement the guidance provided in the *Colorado Sales Tax Guide*. Nothing in this publication modifies or is intended to modify Colorado's statutes and regulations authorizing this exemption. Taxpayers are encouraged to consult their tax advisors for guidance regarding specific situations.

Local sales and use taxes

The exemption for beetle wood products applies to sales and use taxes imposed by the State of Colorado and certain special districts within the state, including the Regional Transportation District (RTD), the Scientific and Cultural Facilities District (CD), and Regional Transportation Authorities (RTA). However, the exemption does not apply to any city or county sales tax administered by the Department, unless the city or county has adopted the exemption by ordinance or resolution. See Department publication *Colorado Sale/Use Tax Rates (DR 1002)* and the *Supplemental Instructions for Form DR 0100* for additional information about exemptions allowed for state-administered local taxes.

The information in this publication does not apply to any city sales and use taxes administered by any home-rule cities. Please contact these home-rule cities directly for information about the taxes they administer.

Exempt products

The Colorado sales and use tax exemption applies to wood and wood products made from salvaged trees killed or infested in Colorado by mountain pine beetles or spruce beetles. Tax-exempt beetle wood products made from salvaged trees may include, but are not limited to, the following products:

- lumber milled from salvaged trees;
- furniture built from salvaged trees;
- wood chips generated from salvaged trees; and
- wood pellets generated from salvaged trees.

Timing and availability of the exemption

The Colorado sales and use tax exemption is allowed for eligible beetle wood products sold, purchased, stored, and used during the following time periods:

- Between July 1, 2008 and June 30, 2020.
- Between July 1, 2021 and June 30, 2026.

The exemption *does not* apply to products sold, purchased, stored, or used during the following time periods:

- Prior to July 1, 2008.
- Between July 1, 2020 and June 30, 2021.
- After June 30, 2026.

Prior to July 1, 2012, only wood from salvaged trees killed or infested in Colorado by mountain pine beetles qualified for the exemption. Wood from salvaged trees killed or infested in Colorado by spruce beetles did not qualify prior to July 1, 2012.



Certification

Wholesalers of tax-exempt beetle wood products must certify that the product is made from salvaged trees killed or infested in Colorado by mountain pine beetles or spruce beetles. The required certification is made with *form DR 1240, Certification for Sales Tax Exemption on Pine or Spruce Beetle Wood*. The wholesaler must provide a copy of the signed certification to each retailer that purchases tax-exempt beetle wood products for resale and to the Department at:

Colorado Department of Revenue
Field Audit Section
P.O. Box 17087
Denver, CO 80217-0087

Additional resources

The following is a list of statutes, regulations, forms, and guidance pertaining to tax-exempt beetle wood products. This list is not, and is not intended to be, an exhaustive list of authorities that govern the tax treatment of every situation. Individuals and businesses with specific questions should consult their tax advisors.

Statutes and regulations

- § 39-26-723, C.R.S. Colorado wood products.
- § 29-2-105, C.R.S. Contents of sales tax ordinances and proposals.

Forms and guidance

- [Tax.Colorado.gov](https://tax.colorado.gov)
- [Tax.Colorado.gov/sales-use-tax](https://tax.colorado.gov/sales-use-tax)
- [Tax.Colorado.gov/sales-use-tax-forms](https://tax.colorado.gov/sales-use-tax-forms)
- *Certification for Sales Tax Exemption on Pine or Spruce Beetle Wood (DR 1240)*