

# FYI Sales 91 State Sales and Use Tax Exemption for Low-Emitting Heavy Vehicles

Motor vehicles greater than 10,000 pounds gross motor vehicle weight rating (GVWR) that are certified by the Federal Environmental Protection Agency (EPA) or any state provided in the Federal Clean Air Act as meeting an emission standard equal to or more stringent than the low-emitting vehicle (LEV) standard are exempt from state sales and use tax. [§39-26-719, C.R.S.]

Parts used for converting the power source of a vehicle greater than 10,000 pounds GVWR to a LEV vehicle are also exempt from state sales and use tax.

### Claiming the Tax Exemption

The dealer should not collect the state sales tax on vehicles that qualify for this exemption, although local taxes may still be due. Likewise, the state tax should not be collected at the time the vehicle is registered at the county office. If any sales tax is paid in error, you have three years from the purchase date to file a Claim for Refund (DR 0137) with the state to receive a refund of taxes paid in error.

### Local Taxes

Unless cities, counties or special districts have adopted an ordinance or resolution to exempt LEV heavy vehicles, local taxes are due on the purchase or sale of LEV heavy vehicles. Refer to Colorado Sales/Use Tax Rates (DR 1002) to determine if a city or county has allowed this exemption. Home-rule cities are also listed in the DR 1002. Most 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 on heavy vehicles.

### Exempt Vehicles

The Department of Revenue will no longer publish a list of exempt vehicles. Attached to this FYI is an affidavit (DR 1369) that motor vehicle dealers should complete when selling an exempt vehicle to customers that will register the vehicle in Colorado. The customer will then take the affidavit to the county clerk when they register the vehicle so that the county does not charge state sales or use tax on an exempt vehicle.

If you purchased an LEV vehicle greater than 10,000 pounds GVWR and were charged state sales or use tax you may file a Claim for Refund (DR 0137). You must include proof of sales tax paid and a copy of the EPA certificate or California Air Resource Board certificate with your claim. Tax information and forms are available at <u>www.TaxColorado.com</u>.

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.

## Colorado State Sales and Use Tax Exemption For Low-Emitting Heavy Vehicles Affidavit

Motor vehicles greater than 10,000 pounds gross motor vehicle weight rating (GVWR) that are certified by the Federal Environmental Protection Agency (EPA) or any state provided in the Federal Clean Air Act as meeting an emission standard equal to or more stringent than the low-emitting vehicle (LEV) standard are exempt from Colorado state sales and use tax. [§39-26-719, C.R.S.]

| Purchaser's Name    | Purchaser's Telephone Number |       |     |
|---------------------|------------------------------|-------|-----|
|                     | ( )                          |       |     |
| Purchaser's Address | City                         | State | ZIP |
|                     |                              |       |     |

Vehicle Information

| Year | Model | Make | Body Type | Vehicle Identification Number (VIN) | Date of Sale |
|------|-------|------|-----------|-------------------------------------|--------------|
|      |       |      |           |                                     |              |
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 The undersigned certifies that the referenced vehicle meets the requirements of §39-26-719, C.R.S., because the vehicle is greater than 10,000 lbs. (GVWR) and is certified by EPA or a state as meeting a vehicle emissions standard that is equal to or more stringent than the low emitting vehicle standard.

 Dealer's Name
 Dealer's Telephone Number

 ( )
 City
 State
 ZIP

 Dealer #
 Dealer's Sales Tax Account Number
 Dealer's Count Number

 Printed Name of Dealer Representative
 Date
 Date

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Purchaser must present form with Manufacturer's Statement of Origin or title and proof of purchase at the time of registration. Dealer must keep a copy of this form in their files.