

## GJ FYI- For your Information

### Sales Tax

#### Energy Used for Industrial or Related Purposes

The City of Grand Junction Sales and Use Tax Ordinances exempt the sale of electricity, coal, coke, fuel oil, nuclear energy or gas if used in processing, manufacturing, mining, refining, irrigation, telegraph and telephone and radio communication, street and railroad transportation services and all industrial uses. *Sec. 3.12.070(x)*

However, any portion of the fuel used for activities prior to or subsequent to manufacturing and processing a product are not exempt. Such taxable uses include, but are not limited to, parking lot lighting; cooling and lighting in office portions of a building; lunch rooms; laboratories; maintenance rooms; computer rooms; lounges; and waiting areas. When sales tax is not paid directly to the vendor or supplier of electricity, use tax is due to the City of Grand Junction for the portion of electricity and fuel consumed through taxable uses.

The method approved by the City of Grand Junction for calculating the percentage of utilities used for industrial and related purposes is consistent with the State of Colorado. The percentage of exemption is calculated either by separate meters or in the absence of separate meters, by using square footage for exempt and non-exempt usage.

***If the exempt usage is more than 75%***, the City of Grand Junction relies on the Colorado Department of Revenue DR1666 “Sales Tax Exempt Certificate- Electricity & Gas for Industrial Use” form as the documentation required for the utility company to consider the transaction tax exempt. If exempt usage is more than 75% but less than 100%, use tax is due on the non-exempt portion.

***If the exempt usage is less than 75%*** the utility company will continue to charge sales tax and in January of each year, a claim for refund can be made to the City of Grand Junction (Form GJ #900) for the sales tax paid on the exempt portion.

*The City of Grand Junction is a Home Rule City. This information is obtained from the City’s Sales and Use Tax laws and regulations. To view the City’s Sales and Use Tax Ordinance and other sales and use tax guides and forms, please visit “Sales, Use, and Lodging Taxes” at:*  
[www.gjcity.org](http://www.gjcity.org)

*GJ FYIs are intended to provide general information concerning tax topics. Although the GJ FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the City of Grand Junction, nor does it replace, alter, or supersede The City of Grand Junction Ordinances or Resolutions.*

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