

City of Colorado Springs

Tax Guide

Gas and Electric Utility Services

CS CODE SECTION

2.7.104 Words and Phrases:
Directly and Exclusively
Equipment
Machinery
Manufacturing
2.7.307, 2.7.428

Related Tax Guides

Manufacturers

This guide provides an overview of specific subject matter and is not intended to be substituted for the full text within the City of Colorado Springs Tax Code.

01/2019

Question? email us at:
salestax@springsgov.com

Residential Gas and Electric

Sales of electricity and gas for residential consumption is exempt from city tax. Bulk purchases of propane for residential heating is also exempt.

Commercial Gas and Electric

City sales or use tax is imposed upon the amount charged for gas and electric services furnished and sold for commercial consumption and not for resale.

Sales of electricity, gas, coal, fuel oil, or coke to companies for use in processing, manufacturing, mining, refining, irrigation, building construction telegraph, telephone, and radio communication, street, and railroad transportation services, and all industrial uses are exempt as wholesale sales. The "Power for Manufacture" exemption applies only to purchases of power used in an exempt manufacturing process, as defined within City Code, and is not allowed for peripheral usages such as office heating, heating or lighting in manufacturing or warehouse areas, or other commercial uses.

Common Example

1. A manufacturing company has a plant within the City qualifies for exempt purchases of power used in manufacturing. There is only one utility meter to serve the plant and administrative offices. Exempt utility usage includes only power purchased to operate machinery and equipment (including air purification equipment for a clean room) used directly in the manufacturing process. The exemption does not cover power used in the administrative offices or power used to either light or heat the plant.
2. If the manufacturing company has an exempt utility meter, then they must calculate their non-exempt usage and pay city use tax on the usage. If the manufacturing company pays sales tax on all utility purchases, then they are entitled to a refund of city sales taxes paid for gas or electric used in manufacturing.