

New Tax Exemption for Recyclers

Learn how your business could qualify



If you're a [recycler or remanufacturer](#), this could benefit you!

In 2016, after two years of negotiations and coalition building, the Colorado Association for Recycling introduced a successful bill to treat machinery and equipment used in the recycling and reprocessing of waste products the same as those used in the traditional manufacturing process. SB16-124 clarifies that the state sales and use tax exemption should also apply to modern remanufacturing practices.

How to Claim an Exemption

There are two avenues available to [recyclers registered](#) with the Colorado Department of Public Health and Environment to obtain the sales and use tax exemption:

Option 1 — At the time of purchase

Recyclers can present a completed form [DR 1191](#) at the time of purchase. The entity making the exempt purchase must make copies and provide one to the vendor, one to the Department of Revenue, and keep one for its records

Option 2 — Claim for refund

If the exemption is not granted at the time of purchase, recyclers can claim the exemption by completing and submitting form [DR 0137V](#) for refund on sales tax paid. Entities typically request a refund for tax paid in error for manufacturing equipment and machinery. With any claim for refund, the entity must provide receipts for the transactions for which it is requesting the refund. *Statute of limitations:* Statute of limitations for requesting a refund for sales tax is three years from the date of purchase.

To expedite processing, entities claiming the exemption at the time of purchase or as claim for refund, should include the name of the facility as identified on the list of [registered recyclers](#) maintained by the [Colorado Department of Public Health and Environment](#).

Manufacturing Sales and Use Tax Exemption for Recyclers

Eligible entities are listed as a [registered recycler](#) through the Colorado Department of Public Health and Environment.

Present form DR 1191 at time of purchase or submit form DR 0137B for claim for refund.

Statute of limitations for requesting a refund is three years from the date of purchase.

More Information

Colorado Department of Revenue
Taxation Division
303-238-SERV (7378)
www.taxcolorado.com

Customer Service Representatives are available Monday through Friday, 8 a.m. to 4:30 p.m.

