



COLORADO

Department of Revenue

Taxation Division

Office of Tax Policy
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GIL 25-002

February 10, 2025

XXXXXXXXXX
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Via Electronic Mail: XXXXXXXXXX

Re: Electric Vehicle Charging

Dear XXXXXXXXXX:

You submitted a request for a general information letter regarding the applicability of Colorado sales taxes on electricity sold at electric vehicle charging stations. The Colorado Department of Revenue ("Department") issues general information letters and private letter rulings. A general information letter provides a general overview of the relevant tax issues but is not binding on the Department. A private letter ruling provides a specific determination for a specific set of facts, is binding on the Department, and requires payment of a fee. For more information about general information letters and private letter rulings, please see 1 CCR 201-1, Rule 24-35-103.5.

Issue

Whether the electricity sold at electric vehicle charging stations by entities other than electric utilities are subject to Colorado sales taxes.

Discussion

Company operates electric vehicle charging stations within the State of Colorado. Company is not a public electric utility. Company purchases electric service from electric utilities that collect sales tax on the sale of such electric service. Company subsequently provides electric vehicle charging to its customers for a fee.

The fees for the use of electric vehicle charging stations are generally not subject to Colorado sales tax. Colorado imposes a sales tax on "electric service, whether furnished by municipal, public, or private corporations or enterprises..."¹ The sales tax statutes do not define "electric service." Undefined terms "shall be read in context and construed according to the rules of grammar and common usage."² Those "[w]ords and phrases that have acquired a technical or particular meaning, whether by legislative definition or otherwise, shall be construed accordingly."³

"Electric service" commonly means the regular or ongoing delivery of electricity by a utility through the electrical grid to a customer's real property location.⁴ The service is not merely the discrete or occasional

¹ Section 39-26-104(1)(d.1), C.R.S.

² Section 2-4-101, C.R.S.

³ *Id.*

⁴ See § 29-8-103(4), C.R.S. ("Electric service" means the transmission and distribution of electricity for heat, light, or power."); *San Isabel Elec. Ass'n, Inc. v. Pub. Utilities Comm'n*, 2021 CO 36, ¶ 5 (noting "three aspects of electric service—electricity generation,

sale of electricity at a point in time, but continuous access to electricity at the customer's location on demand.⁵

Company provides electric vehicle charging to its customers for a fee. These discrete, one-time sales do not fall within the common meaning of "electric service." As a result, the fees for electric vehicle charging stations are not subject to Colorado sales tax. However, charging station operators that are not making taxable sales must pay the Colorado sales tax on the electric service they purchase.

Miscellaneous

This letter represents the good-faith opinion of Department personnel who are knowledgeable on state taxes issues. However, the Department does not make a specific determination on any of the issues raised and the Department is not bound by this general information letter.

The Department administers state and state-administered local sales and use taxes. This letter does not address sales and use taxes administered by self-collected home-rule cities. You may wish to consult with those local governments that administer their own sales or use taxes about the applicability of those taxes. Visit our website at Tax.Colorado.gov for more information about state and local sales taxes.

Thank you for your request.

Sincerely,

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long-distance power transmission, and local distribution of electricity to end users"); *Highland Supply Corp. v. Illinois Power Co.*, 973 N.E.2d 551, 560 (Ill. Ct. App. 2012) ("[T]he plain and ordinary meaning of 'electric service' includes the delivery of electricity, as there is no electric 'service' without the delivery of electricity."); see also 18 CFR § 35.2(a) and 25 CFR § 175.100 (defining "electrical service"); National Fire Protection Association 70, commonly known as the National Electrical Code, Chapter 1 - Article 100 (defining "service"). The NEC is incorporated in the State Electrical Board Rules, 3 CCR 710-1(1.5); <https://occ.colorado.gov/utility-information>; Colorado Utilities Report 2010, Governor's Energy Office; Title 40 of the Colorado Revised Statutes.

⁵ 1 CCR 201-5, Special Rule 19 ("The tax applies to all amounts paid for taxable gas or electric services, irrespective of whether there is an actual consumption; the tax is imposed on all payments, whether in the form of a minimum charge, a flat rate, or otherwise.")