

# City and County of Denver, Colorado

## TAX GUIDE

### *Topic No. 51*

# LIVESTOCK, LIVESTOCK BEDDING/FEED

## LIVESTOCK

"Livestock" refers to animals kept or raised for use or sale. Livestock includes, but is not limited to, horses, cattle, sheep, pigs, goats, poultry, and fish.

Sales of livestock are exempt from sales/use tax.

Sales of animals (non-livestock) are exempt from sales/use tax if they are purchased for resale.

## EXAMPLES

1. Jim's Feedlot purchases 100 calves from Farmer Joe intending to feed the calves until maturity and then sell them at a higher weight. Jim's purchase of the calves meets the livestock exemption and the transaction is not subject to sales or use tax. The same transaction also meets the wholesale exemption as it is a purchase for resale.
2. Fresh Fish Hatchery sells 2 tons of rainbow trout to Country Markets food store chain. Country Markets intends to sell the trout to consumers. This transaction does not meet the livestock exemption, but it does meet the wholesale exemption as a purchase for resale. No tax is due on this transaction.
3. Leisure Time Stables purchased 10 geldings and 10 mules for their clients to ride on guided tours. Geldings and mules cannot reproduce so they do not qualify for the breeding-purposes exemption. This transaction is subject to sales or use tax.
4. Leisure Time Stables purchased one stallion and five mares for future breeding of their own stock. Since these horses will be used for breeding purposes, this transaction is specifically exempt from sales or use tax.

## LIVESTOCK BEDDING

The sale of straw or other bedding for use in the care of livestock is taxable.

## LIVESTOCK FEED

The sale and purchase of feed for all livestock is exempt from sales/use tax.

## EXAMPLES

1. Circle X Cattle Ranch grows corn to feed its cattle. Circle X had a bumper crop and sold its excess corn to the Bar X Cattle Company. Because all feed for livestock is exempt from taxation,

this transaction is not subject to tax. As an added note, the initial purchase of the seed used by Circle X to grow corn would also be exempt from tax.

2. Nuclear Energy Corporation of America (NECA) uses the water runoff from its cooling tanks as a fish nursery. NECA buys fish food to feed to the hatchlings. This transaction meets the exemption for livestock feed and is not subject to sales or use tax.

#### RELATED TAX GUIDE TOPICS

Feed and  
Seeds

#### REFERENCES

- \* DRMC Section 53-54(1). Imposition of tax.
- \* DRMC Section 53-55(5),(6). Exemptions.
- \* DRMC Section 53-104(1). Imposition of tax.
- \* DRMC Section 53-105(5),(6). Exemptions.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT DENVER TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE DRMC AND APPLICABLE RULES AND REGULATIONS.

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