

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Energy & Environment.

HB24-1352 be amended as follows:

1 Amend printed bill, page 24, strike line 16 and substitute "(2)(a), (2)(g),  
2 (2)(j), (2)(p), (2)(q), (3)(a), (3)(b), (3)(c), (3)(f), (4), (5)(a) introductory  
3 portion, (5)(a)(I), (5)(a)(II), (5)(a)(III), (5)(a)(V), (5)(b), (5)(d)(I)  
4 introductory portion, and (5)(d)(II); **repeal** (2)(b), (2)(f), and (5)(d)(I)(A);  
5 and **add** (2)(c.5), (2)(i.5), (2)(k.3), and (2)(k.7) as follows:".

6 Page 24, strike lines 22 through 27 and substitute:

7 ~~"(A) (I) Is certified pursuant to the federal environmental~~  
8 ~~protection agency's energystar program~~ EITHER A STANDARD AIR-SOURCE  
9 HEAT PUMP OR A COLD-CLIMATE HEAT PUMP;  
10 ~~(B) Has a variable speed compressor; and~~  
11 (II) CONFORMS TO ALL APPLICABLE MUNICIPAL, STATE, AND  
12 FEDERAL CODES, STANDARDS, REGULATIONS, AND CERTIFICATIONS;  
13 (III) IS INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S  
14 SPECIFICATIONS;  
15 ~~(C) (IV) Is listed in the Air-conditioning, Heating, and"~~.

16 Page 25, line 3, strike "(III)" and substitute "(V)".

17 Page 25, line 7, strike "(IV)" and substitute "(VI)".

18 Page 25, after line 20 insert:

19 ~~"(b) "Applicable percentage" means a percentage annually~~  
20 ~~established by the office as specified in subsection (4) of this section.~~  
21 (c.5) "COLD-CLIMATE HEAT PUMP" MEANS A TYPE OF AIR-SOURCE  
22 HEAT PUMP THAT MEETS THE QUALIFICATION CRITERIA OF THE FEDERAL  
23 ENVIRONMENTAL PROTECTION AGENCY'S ENERGY STAR PROGRAM'S  
24 COLD-CLIMATE HEAT PUMP DESIGNATION OR MEETS THE HIGHEST TIER OF  
25 THE CONSORTIUM FOR ENERGY EFFICIENCY'S NORTHERN AIR-SOURCE  
26 HEAT PUMP SPECIFICATIONS, NOT INCLUDING AN ADVANCED TIER.  
27 (f) ~~"Eligible taxpayer" means a taxpayer that meets the~~  
28 ~~requirements for and is included on the list of eligible taxpayers described~~  
29 ~~in subsection (5) of this section."~~.

30 Page 26, after line 20 insert:

31 "(i.5) "HVAC CONTRACTOR" HAS THE MEANING SET FORTH IN  
32 SECTION 39-22-554.5 (2).  
33 (j) "List" means the list of ~~eligible taxpayers~~ QUALIFIED  
34 CONTRACTORS created by the office as specified in subsection (5) of this  
35 section.  
36 (k.3) "QUALIFIED CONTRACTOR" MEANS AN HVAC CONTRACTOR

1 THAT MEETS THE REQUIREMENTS FOR AND IS INCLUDED ON THE LIST OF  
2 QUALIFIED CONTRACTORS DESCRIBED IN SUBSECTION (5) OF THIS SECTION.

3 (k.7) "STANDARD AIR-SOURCE HEAT PUMP" MEANS A TYPE OF HEAT  
4 PUMP THAT IS CERTIFIED PURSUANT TO THE FEDERAL ENVIRONMENTAL  
5 PROTECTION AGENCY'S ENERGY STAR PROGRAM AND IS NOT A  
6 COLD-CLIMATE HEAT PUMP."

7 Page 28, after line 13 insert:

8 "(3) (a) For income tax years commencing on or after January 1,  
9 2024, but before January 1, 2033, ~~an eligible~~ A taxpayer that ~~installs~~  
10 PURCHASES NEW RETAIL heat pump technology ~~in a building in the state,~~  
11 ~~on a campus in the state, or develops, through purchase and installation~~  
12 ~~of necessary equipment, a thermal energy network~~ OR A NEW THERMAL  
13 ENERGY NETWORK FOR PROPERTY in the state is allowed a credit against  
14 the tax imposed under this article 22 in an amount set forth in subsection  
15 (3)(c) of this section in the tax year that the RETAIL heat pump technology  
16 or NEW thermal energy network is placed into service.

17 (b) In order to qualify for the tax credit allowed under this section,  
18 ~~the eligible taxpayer shall provide a discount from the amount charged for~~  
19 ~~the installation of heat pump technology or a thermal energy network in~~  
20 ~~an amount equal to the amount of the credit set forth in subsection (3)(c)~~  
21 ~~of this section minus the applicable percentage of the credit, and shall~~  
22 ~~show the discount as a separate item on the receipt or invoice; except that~~  
23 ~~the requirement in this subsection (3)(b) does not apply to an eligible~~  
24 ~~taxpayer who installs their own heat pump technology or thermal energy~~  
25 ~~network~~ THE NEW RETAIL HEAT PUMP TECHNOLOGY OR NEW THERMAL  
26 ENERGY NETWORK MUST BE INSTALLED BY A QUALIFIED CONTRACTOR."

27 Page 28, line 14, strike "(3)".

28 Page 28, strike lines 19 through 21 and substitute:

29 "(I) For the installation of ~~an air-source~~ A STANDARD heat pump  
30 system or a variable refrigerant flow heat system, SEVEN HUNDRED FIFTY  
31 DOLLARS PER TON OF THERMAL ENERGY;"

32 Page 29, line 1, after "a" insert "COLD-CLIMATE HEAT PUMP, A".

33 Page 29, line 2, before "water-source" insert "A".

34 Page 29, lines 6 and 7, strike "TWO THOUSAND DOLLARS PER TON OF  
35 COOLING;" and substitute "ONE THOUSAND FIVE HUNDRED DOLLARS PER  
36 TON OF THERMAL ENERGY;"

1 Page 30, strike lines 7 through 10 and substitute:

2 ~~"(4) An eligible taxpayer may retain an applicable percentage of~~  
3 ~~the amount of the tax credit allowed under subsection (3)(c) of this~~  
4 ~~section to support the industry-wide adoption and deployment of heat~~  
5 ~~pump technologies in the state. The office shall annually determine the~~  
6 ~~applicable percentage, which must be the same for each eligible taxpayer,~~  
7 ~~pursuant to guidelines established by the office. The office shall maintain~~  
8 ~~the current applicable percentage on its website and shall provide the~~  
9 ~~applicable percentage in writing to the department no later than December~~  
10 ~~31, 2023, and each December 31 thereafter through December 31, 2031.~~

11 A PROJECT IN A MULTIFAMILY PROPERTY THAT CONTAINS TWENTY  
12 THOUSAND SQUARE FEET OR MORE OF CONDITIONED FLOOR SPACE AND FOR  
13 WHICH A CREDIT IS CLAIMED MUST EXCLUSIVELY USE CONTRACTORS THAT  
14 PARTICIPATE IN APPRENTICESHIP PROGRAMS REGISTERED WITH THE  
15 UNITED STATES DEPARTMENT OF LABOR'S EMPLOYMENT AND TRAINING  
16 ADMINISTRATION OR WITH A STATE APPRENTICESHIP COUNCIL RECOGNIZED  
17 BY THE UNITED STATES DEPARTMENT OF LABOR FOR ANY NECESSARY  
18 PLUMBING OR ELECTRICAL WORK. THIS SUBSECTION (4) DOES NOT APPLY  
19 TO A PROJECT THAT IS LIMITED TO IN-UNIT WORK IN A MULTIFAMILY  
20 PROPERTY, AS UNDERTAKEN BY THE OWNER OR TENANT OF THE  
21 MULTIFAMILY PROPERTY OR UNIT.

22 (5) (a) The office shall create, and update at least annually, a list  
23 containing the names and contact information of ~~eligible taxpayers~~  
24 ~~QUALIFIED CONTRACTORS. To become an eligible taxpayer~~ A QUALIFIED  
25 ~~CONTRACTOR, and be included on the list described in this subsection (5),~~  
26 ~~a taxpayer~~ CONTRACTOR shall demonstrate to the office that the taxpayer  
27 ~~and any of its employees who will be installing heat pump technology or~~  
28 ~~thermal energy networks~~ CONTRACTOR:

29 (I) ~~Are~~ Is licensed as required by the state;

30 (II) ~~Are~~ Is knowledgeable of AND AGREES TO FOLLOW the relevant  
31 system requirements set forth in subsections (2)(a), ~~(2)(c.5)~~, (2)(g), (2)(h),  
32 (2)(i), ~~(2)(k.7)~~, (2)(m), (2)(n), (2)(p), and (2)(q) of this section;

33 (III) ~~Will install heat pump technology and thermal energy~~  
34 ~~networks in accordance with the national electric code and manufacturer's~~  
35 ~~specifications;~~

36 (V) Will meet any additional standards established by the office  
37 in its guidelines. ~~including, if applicable, the 2021 international energy~~  
38 ~~conservation code.~~

39 (b) The office shall, in a sufficiently timely manner to allow the  
40 department to process returns claiming the income tax credit allowed in  
41 this section, annually provide a secure electronic copy of the list  
42 described in subsection (5)(a) of this section to the department that  
43 includes the social security number or Colorado account number and

1 federal employer identification number of each ~~eligible taxpayer~~  
2 QUALIFIED CONTRACTOR.  
3 (d) (I) Every ~~eligible taxpayer~~ QUALIFIED CONTRACTOR shall keep  
4 and maintain for a period of four years such books and records as may be  
5 necessary to determine that:  
6 (A) ~~It is an eligible taxpayer;~~  
7 (II) (A) The office shall annually examine a sample of the ~~eligible~~  
8 ~~taxpayers~~ QUALIFIED CONTRACTORS on the list described in this  
9 subsection (5) to substantiate that the ~~eligible taxpayers~~ QUALIFIED  
10 CONTRACTORS are meeting the office's standards. ~~and properly claiming~~  
11 ~~the credit allowed by this section.~~ Every ~~eligible taxpayer~~ QUALIFIED  
12 CONTRACTOR shall produce the books and records described in subsection  
13 (5)(d)(I) of this section for examination at any time by the office.  
14 (B) If the office determines that ~~an eligible taxpayer~~ A QUALIFIED  
15 CONTRACTOR is no longer meeting the standards, the office shall notify  
16 the ~~taxpayer~~ QUALIFIED CONTRACTOR in writing that ~~they are~~ THE  
17 QUALIFIED CONTRACTOR IS no longer eligible, remove the ineligible  
18 ~~taxpayer~~ QUALIFIED CONTRACTOR from the list, update the list on its  
19 website, and promptly notify the department in writing of its decision.  
20 (C) ~~If the office determines that a taxpayer was not eligible for all~~  
21 ~~or part of the credit claimed, the office shall notify the department in~~  
22 ~~writing of its decision. The department shall issue the taxpayer a notice~~  
23 ~~of deficiency for the unpaid tax owed, together with applicable penalties~~  
24 ~~and interest, and proceed to collect the deficiency in the same manner as~~  
25 ~~other tax deficiencies."~~

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