

**Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 14-0489.01 Esther van Mourik x4215

HOUSE BILL 14-1326

HOUSE SPONSORSHIP

Primavera and Scott,

SENATE SPONSORSHIP

Hodge,

House Committees

Transportation & Energy
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING TAX INCENTIVES FOR ALTERNATIVE FUEL TRUCKS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill:

- ! Allows an income tax credit for the purchase or conversion of an electric or plug-in electric truck with a gross vehicle weight rating of over 8,500 pounds at a percentage of the actual cost incurred and caps the total amount a taxpayer may claim in a tax year;
- ! Expands the income tax credit for the purchase or

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

conversion of a truck equipped to operate on compressed natural gas and liquefied petroleum gas to include liquefied natural gas and hydrogen and also allows the credit for heavy duty trucks;

- ! Allows an income tax credit for the purchase of devices on the United States environmental protection agency's smartway verified technology list that minimizes drag and improves air flow over a truck and trailer;
- ! Allows an income tax credit for the purchase of clean fuel refrigerated trailers; and
- ! Makes the availability of certain of the tax credits dependent on a determination by the Colorado energy office of whether any category 4, 4 A, 4 B, 4 C, 7, or 7 A medium or heavy duty trucks are actually reducing emissions over a life-cycle period as compared to the emissions of similar trucks using traditional fuel.

The applicability of the current sales and use tax exemption for motor vehicles, power source for any motor vehicle, or parts used for converting the power source for any motor vehicle is limited, as of July 1, 2014, to those motor vehicles with gross vehicle weight ratings greater than:

- ! 26,000 pounds if the motor vehicle, power source for the motor vehicle, or parts used for converting the power source for the motor vehicle are certified by the United States environmental protection agency and the national highway traffic safety administration as provided in the federal heavy-duty program that includes new greenhouse gas emissions standards and new fuel efficiency standards; or
- ! 10,000 pounds if the motor vehicle, power source for the motor vehicle, or parts used for converting the power source for the motor vehicle meets the definitions of category 4, 4 A, 4 B, 4 C, 7, and 7 B trucks.

The taxable value of category 4, 4 A, 4 B, 4 C, 7, and 7 B trucks is reduced to 75% of the actual purchase price of those trucks for purposes of calculating the specific ownership tax.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) A diverse range of stakeholders within the state, both public

1 and private, recognize the important health, environmental, and market
2 benefits of motor vehicles powered by alternative fuels, as recognized in
3 the state's multi-state Natural Gas Vehicles Memorandum of
4 Understanding of 2011, the Colorado Electric Vehicle and Infrastructure
5 Readiness Plan of 2012, and the state's Natural Gas Fueled Fleet Vehicles
6 Memorandum of Understanding of 2013;

7 (b) Income tax credits are an important incentive for taxpayers
8 looking to purchase alternative fuel vehicles and accelerate the entry of
9 such vehicles into the Colorado market;

10 (c) The current income tax credit for alternative fuel vehicles does
11 not adequately address heavy duty alternative fuel vehicles even though
12 the benefits of their emission reductions and energy security are reported
13 to be significant, and as such, these vehicles and their associated clean
14 fuel refrigerated trailers should be included in the tax credit; and

15 (d) Given the higher up-front cost of medium and heavy duty
16 alternative fuel vehicles compared with their traditional fuel counterparts,
17 the specific ownership tax is greater and creates a disincentive for the
18 purchase of such vehicles. It is therefore necessary to establish a method
19 to tax alternative fuel vehicles at a comparable rate to traditional fuel
20 vehicles.

21 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-516.8 as
22 follows:

23 **39-22-516.8. Tax credit for innovative trucks - definitions -**
24 **repeal.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
25 REQUIRES:

26 (a) (I) **"ACTUAL COST INCURRED"** MEANS THE ACTUAL COST
27 PAID BY THE PURCHASER FOR A **NEW OR** USED TRUCK OR CLEAN FUEL

1 REFRIGERATED TRAILER, CONVERSION OF A TRUCK OR CLEAN FUEL
2 REFRIGERATED TRAILER, IDLING REDUCTION TECHNOLOGIES, OR
3 AERODYNAMIC TECHNOLOGIES, MINUS ANY CREDITS, GRANTS, OR
4 REBATES, INCLUDING FEDERAL CREDITS, GRANTS, OR REBATES FOR WHICH
5 THE PURCHASER IS ELIGIBLE, BUT EXCLUDING THE CREDIT SPECIFIED IN
6 THIS SECTION.

7

8 (II) FOR PURPOSES OF A LEASE, "ACTUAL COST INCURRED" MEANS
9 THE TOTAL OF PAYMENTS CONTRACTED IN THE LEASE FOR THE TRUCK
10 MINUS:

11 (A) ANY SECURITY DEPOSIT INCLUDED IN THE TOTAL OF
12 PAYMENTS;

13 (B) THE RENT CHARGE INCLUDED IN THE TOTAL OF PAYMENTS;

14 (C) ANY SALES TAX INCLUDED IN THE TOTAL OF PAYMENTS;

15 (D) ANY TITLING AND REGISTRATION FEES INCLUDED IN THE TOTAL
16 OF PAYMENTS;

17 (E) ANY DISPOSITION FEE INCLUDED IN THE TOTAL OF PAYMENTS;

18 (F) ANY ADMINISTRATIVE FEE OR ANY OTHER FEE THAT DOES NOT
19 REFLECT THE VALUE OF THE TRUCK INCLUDED IN THE TOTAL OF
20 PAYMENTS; AND

21 (G) ANY CREDITS, GRANTS, OR REBATES, INCLUDING FEDERAL
22 CREDITS, GRANTS, OR REBATES FOR WHICH THE LESSEE OR LESSOR IS
23 ELIGIBLE, BUT EXCLUDING THE CREDIT SPECIFIED IN THIS SECTION.

24 (b) "AERODYNAMIC TECHNOLOGIES" MEANS A DEVICE ON THE
25 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY'S SMARTWAY
26 VERIFIED TECHNOLOGY LIST THAT MINIMIZES DRAG AND IMPROVES AIR
27 FLOW OVER A TRUCK AND TRAILER; EXCEPT THAT "AERODYNAMIC

1 TECHNOLOGIES" DO NOT INCLUDE TIRES.

2 (c) "ALTERNATIVE FUEL" MEANS AN ALTERNATIVE FUEL AS
3 DEFINED IN SECTION 25-7-106.8 (1) (a), C.R.S.

4 (d) "BATTERY CAPACITY" MEANS THE QUANTITY OF ELECTRICITY
5 THAT A BATTERY IS CAPABLE OF STORING, EXPRESSED IN KILOWATT
6 HOURS, AS MEASURED FROM A ONE HUNDRED PERCENT STATE OF CHARGE
7 TO A ZERO PERCENT STATE OF CHARGE.

8 (e) "BUS" MEANS A MOTOR VEHICLE WITH A MINIMUM SEATING
9 CAPACITY OF THIRTY-THREE, INCLUDING THE DRIVER.

10 (f) "CATEGORY 4" MEANS ORIGINAL EQUIPMENT MANUFACTURER
11 TRUCKS THAT ARE EQUIPPED TO OPERATE ON COMPRESSED NATURAL GAS
12 OR ON LIQUEFIED PETROLEUM GAS. FOR PURPOSES OF THIS PARAGRAPH (f),
13 "OPERATE ON COMPRESSED NATURAL GAS OR ON LIQUEFIED PETROLEUM
14 GAS" MEANS A TRUCK THAT OPERATES EXCLUSIVELY ON COMPRESSED
15 NATURAL GAS OR ON LIQUEFIED PETROLEUM GAS, OR A BI-FUEL TRUCK
16 WITH A MULTI-FUEL ENGINE CAPABLE OF RUNNING ON EITHER COMPRESSED
17 NATURAL GAS OR TRADITIONAL FUEL, OR ON EITHER LIQUEFIED
18 PETROLEUM GAS OR TRADITIONAL FUEL, OR A DUAL-FUEL TRUCK WITH A
19 MULTI-FUEL ENGINE CAPABLE OF RUNNING ON BOTH COMPRESSED
20 NATURAL GAS AND TRADITIONAL FUEL, OR ON BOTH LIQUEFIED
21 PETROLEUM GAS AND TRADITIONAL FUEL.

22 (g) "CATEGORY 4 A" MEANS COMPRESSED NATURAL GAS OR
23 LIQUEFIED PETROLEUM GAS CONVERSIONS CERTIFIED BY THE UNITED
24 STATES ENVIRONMENTAL PROTECTION AGENCY. FOR PURPOSES OF THIS
25 PARAGRAPH (g), "COMPRESSED NATURAL GAS OR LIQUEFIED PETROLEUM
26 GAS CONVERSIONS" MEANS A CONVERSION TO A TRUCK THAT OPERATES
27 EXCLUSIVELY ON COMPRESSED NATURAL GAS OR ON LIQUEFIED

1 PETROLEUM GAS, OR A BI-FUEL TRUCK WITH A MULTI-FUEL ENGINE
2 CAPABLE OF RUNNING ON EITHER COMPRESSED NATURAL GAS OR
3 TRADITIONAL FUEL, OR ON EITHER LIQUEFIED PETROLEUM GAS OR
4 TRADITIONAL FUEL, OR A DUAL-FUEL TRUCK WITH A MULTI-FUEL ENGINE
5 CAPABLE OF RUNNING ON BOTH COMPRESSED NATURAL GAS AND
6 TRADITIONAL FUEL, OR ON BOTH LIQUEFIED PETROLEUM GAS AND
7 TRADITIONAL FUEL.

8 (h) "CATEGORY 4 B" MEANS ORIGINAL EQUIPMENT
9 MANUFACTURER TRUCKS THAT ARE EQUIPPED TO OPERATE ON LIQUEFIED
10 NATURAL GAS OR ON HYDROGEN. FOR PURPOSES OF THIS PARAGRAPH (h),
11 "OPERATE ON LIQUEFIED NATURAL GAS OR ON HYDROGEN" MEANS A TRUCK
12 THAT OPERATES EXCLUSIVELY ON LIQUEFIED NATURAL GAS OR ON
13 HYDROGEN, OR A BI-FUEL TRUCK WITH A MULTI-FUEL ENGINE CAPABLE OF
14 RUNNING ON EITHER LIQUEFIED NATURAL GAS OR TRADITIONAL FUEL, OR
15 ON EITHER HYDROGEN OR TRADITIONAL FUEL, OR A DUAL-FUEL TRUCK
16 WITH A MULTI-FUEL ENGINE CAPABLE OF RUNNING ON BOTH LIQUEFIED
17 NATURAL GAS AND TRADITIONAL FUEL, OR ON BOTH HYDROGEN AND
18 TRADITIONAL FUEL.

19 (i) "CATEGORY 4 C" MEANS LIQUEFIED NATURAL GAS OR
20 HYDROGEN CONVERSIONS CERTIFIED BY THE UNITED STATES
21 ENVIRONMENTAL PROTECTION AGENCY. FOR PURPOSES OF THIS
22 PARAGRAPH (i), "LIQUEFIED NATURAL GAS OR HYDROGEN CONVERSIONS"
23 MEANS A CONVERSION TO A TRUCK THAT OPERATES EXCLUSIVELY ON
24 LIQUEFIED NATURAL GAS OR ON HYDROGEN, OR A BI-FUEL TRUCK WITH A
25 MULTI-FUEL ENGINE CAPABLE OF RUNNING ON EITHER LIQUEFIED NATURAL
26 GAS OR TRADITIONAL FUEL, OR ON EITHER HYDROGEN OR TRADITIONAL
27 FUEL, OR A DUAL-FUEL TRUCK WITH A MULTI-FUEL ENGINE CAPABLE OF

1 RUNNING ON BOTH LIQUIFIED NATURAL GAS AND TRADITIONAL FUEL, OR
2 ON BOTH HYDROGEN AND TRADITIONAL FUEL.

3 (j) "CATEGORY 5" MEANS THE INSTALLATION OF ANY IDLING
4 REDUCTION TECHNOLOGIES ON OR IN A TRUCK.

5 (k) "CATEGORY 6" MEANS THE INSTALLATION OF ANY
6 AERODYNAMIC TECHNOLOGIES ON OR IN A TRUCK.

7 (l) "CATEGORY 7" MEANS AN ORIGINAL EQUIPMENT
8 MANUFACTURER ELECTRIC TRUCK AND PLUG-IN HYBRID ELECTRIC TRUCK.

9 (m) "CATEGORY 7 A" MEANS A CONVERSION OF A TRUCK TO AN
10 ELECTRIC TRUCK OR A PLUG-IN HYBRID ELECTRIC TRUCK.

11 (n) "CATEGORY 8" MEANS A CLEAN FUEL REFRIGERATED TRAILER.

12 (o) "CATEGORY 8 A" MEANS A CONVERSION OF A REFRIGERATED
13 TRAILER TO A CLEAN FUEL REFRIGERATED TRAILER.

14 (p) "CATEGORY 9" MEANS A HYDRAULIC HYBRID TRUCK.

15 (q) "CLEAN FUEL REFRIGERATED TRAILER" MEANS A TRAILER
16 CAPABLE OF BEING PULLED BY A TRUCK WITH A GROSS VEHICLE WEIGHT
17 RATING GREATER THAN FOURTEEN THOUSAND POUNDS, WITH A POWER
18 UNIT AND FUEL STORAGE USED FOR CLIMATE CONTROL THAT:

19 (I) (A) IS INSTALLED ON THE TRAILER BY THE ORIGINAL
20 EQUIPMENT MANUFACTURER; OR

21 (B) IS INSTALLED ON THE TRAILER THROUGH A CONVERSION
22 CERTIFIED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY;

23 AND

24 (II) OPERATES ON EITHER COMPRESSED NATURAL GAS, LIQUEFIED
25 NATURAL GAS, LIQUEFIED PETROLEUM GAS, HYDROGEN, OR ELECTRICITY,
26 OR ANY COMBINATION THEREOF.

27 (r) "ELECTRIC TRUCK" OR "PLUG-IN HYBRID ELECTRIC TRUCK"

1 MEANS A TRUCK THAT:

2 (I) HAS A GROSS VEHICLE WEIGHT RATING THAT EXCEEDS EIGHT
3 THOUSAND FIVE HUNDRED POUNDS;

4 (II) HAS A MAXIMUM SPEED CAPABILITY OF AT LEAST FIFTY-FIVE
5 MILES PER HOUR; AND

6 (III) IS PROPELLED TO A SIGNIFICANT EXTENT BY AN ELECTRIC
7 MOTOR THAT DRAWS ELECTRICITY FROM A BATTERY THAT:

8 (A) HAS A BATTERY CAPACITY OF NOT LESS THAN FOUR KILOWATT
9 HOURS; AND

10 (B) IS CAPABLE OF BEING RECHARGED FROM AN EXTERNAL SOURCE
11 OF ELECTRICITY.

12 (s) "GROSS VEHICLE WEIGHT RATING" OR "GVWR" HAS THE SAME
13 MEANING AS SET FORTH IN SECTION 42-2-402 (6), C.R.S.

14 (t) "HEAVY DUTY TRUCK" MEANS A TRUCK WITH A GROSS VEHICLE
15 WEIGHT RATING GREATER THAN TWENTY-SIX THOUSAND POUNDS.

16 (u) "HYBRID TRUCK" MEANS A TRUCK WITH A HYBRID PROPULSION
17 SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND AN ALTERNATIVE
18 FUEL OR TRADITIONAL FUEL.

19 (v) "HYDRAULIC HYBRID TRUCK" MEANS THE CONVERSION OF A
20 TRUCK WITH A GROSS VEHICLE WEIGHT RATING OF MORE THAN FOURTEEN
21 THOUSAND POUNDS TO A TRUCK WITH A HYBRID PROPULSION SYSTEM
22 THAT OPERATES ON BOTH PRESSURIZED FLUID AND EITHER COMPRESSED
23 NATURAL GAS, LIQUIFIED NATURAL GAS, LIQUIFIED PETROLEUM GAS,
24 HYDROGEN, ELECTRICITY, OR A TRADITIONAL FUEL; EXCEPT THAT THE
25 CONVERTED HYDRAULIC HYBRID TRUCK MUST INCREASE THE FUEL
26 ECONOMY OF THE ORIGINAL TRUCK.

27 (w) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING

1 REDUCTION DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE
2 DEFINED IN SECTION 4053 OF THE INTERNAL REVENUE CODE, AS AMENDED,
3 THAT ARE EXEMPT FROM FEDERAL EXCISE TAX PURSUANT TO SAID SECTION
4 4053.

5 (x) "LIGHT DUTY PASSENGER MOTOR VEHICLE" MEANS A PRIVATE
6 PASSENGER MOTOR VEHICLE, INCLUDING VANS, CAPABLE OF SEATING
7 TWELVE PASSENGERS OR LESS; EXCEPT THAT THE TERM DOES NOT INCLUDE
8 MOTOR HOMES AS DEFINED IN SECTION 42-1-102 (57), C.R.S., OR MOTOR
9 VEHICLES DESIGNED TO TRAVEL ON THREE OR FEWER WHEELS IN CONTACT
10 WITH THE GROUND.

11 (y) "LIGHT DUTY TRUCK" MEANS A TRUCK WITH A GROSS VEHICLE
12 WEIGHT RATING LESS THAN OR EQUAL TO FOURTEEN THOUSAND POUNDS
13 BUT DOES NOT INCLUDE A LIGHT DUTY PASSENGER MOTOR VEHICLE.

14 (z) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS
15 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS
16 AND UP TO TWENTY-SIX THOUSAND POUNDS.

17 (aa) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR
18 FUEL COMMONLY USED ON THE HIGHWAYS OF THE STATE IN THE YEAR
19 2008.

20 (bb) "TRAILER" HAS THE SAME MEANING AS IN SECTION 42-1-102
21 (105), C.R.S.

22 (cc) "TRUCK" HAS THE SAME MEANING AS IN SECTION 42-1-102
23 (108), C.R.S., INCLUDES A HYBRID TRUCK, A LIGHT DUTY PASSENGER
24 MOTOR VEHICLE, AND A BUS, HAS A MAXIMUM SPEED CAPABILITY OF AT
25 LEAST FIFTY-FIVE MILES PER HOUR, IS LICENSED OR SUBJECT TO LICENSING
26 FOR OPERATION UPON THE HIGHWAYS OF THE STATE, AND IS EITHER:

27 (I) TITLED AND REGISTERED IN THE STATE; OR

1 (II) REGISTERED UNDER THE INTERNATIONAL REGISTRATION PLAN
 2 AND BASE PLATED IN THE STATE.

3 (2) **Category 4.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14) OF
 4 THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON
 5 OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS
 6 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
 7 ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS
 8 SUBSECTION (2) OF THE ACTUAL COST INCURRED BY THE TAXPAYER
 9 DURING THE TAX YEAR FOR EACH PURCHASE OR LEASE OF A CATEGORY 4
 10 TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF
 11 THIS SUBSECTION (2). FOR PURPOSES OF THE INCOME TAX YEAR
 12 COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1,
 13 2015, THE PURCHASE OR LEASE OF A CATEGORY 4 TRUCK MUST OCCUR ON
 14 OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

15 (b)

	INCOME TAX YEAR COMMENCING:							
	1/1/2014	1/1/2015	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021	CAP PER
							BUT	INCOME
							BEFORE	TAX
							1/1/2022	YEAR
20 LIGHT DUTY								
21 PASSENGER								
22 MOTOR								
23 VEHICLE	18%	15%	11.25%	7.5%	3.75%	\$6,000		
24 LIGHT DUTY								
25 TRUCK	18%	15%	11.25%	7.5%	3.75%	\$7,500		
26 MEDIUM DUTY								
27 TRUCK	18%	15%	11.25%	7.5%	3.75%	\$15,000		

1	HEAVY DUTY						
2	TRUCK	18%	15%	11.25%	7.5%	3.75%	\$20,000

3 (3) **Category 4 A.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14)
4 OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING
5 ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS
6 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
7 ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS
8 SUBSECTION (3) OF THE ACTUAL COST INCURRED BY THE TAXPAYER
9 DURING THE TAX YEAR FOR THE CONVERSION OF A CATEGORY 4 A TRUCK,
10 NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS
11 SUBSECTION (3). FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING
12 ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE
13 CONVERSION OF A CATEGORY 4 A TRUCK MUST OCCUR ON OR AFTER JULY
14 1, 2014, BUT BEFORE JANUARY 1, 2015.

15	(b)	INCOME TAX YEAR COMMENCING:					
16						1/1/2021	CAP PER
17		1/1/2014				BUT	INCOME
18		1/1/2015	1/1/2017			BEFORE	TAX
19		1/1/2016	1/1/2018	1/1/2019	1/1/2020	1/1/2022	YEAR
20	LIGHT DUTY						
21	PASSENGER						
22	MOTOR						
23	VEHICLE	55%	45%	33.75%	22.5%	11.25%	\$6,000
24	LIGHT DUTY						
25	TRUCK	55%	45%	33.75%	22.5%	11.25%	\$7,500
26	MEDIUM DUTY						
27	TRUCK	55%	45%	33.75%	22.5%	11.25%	\$15,000

1	HEAVY DUTY						
2	TRUCK	55%	45%	33.75%	22.5%	11.25%	\$20,000

3 (4) **Category 4 B.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14)
4 OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING
5 ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS
6 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
7 ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS
8 SUBSECTION (4) OF THE ACTUAL COST INCURRED BY THE TAXPAYER
9 DURING THE TAX YEAR FOR EACH PURCHASE OR LEASE OF A CATEGORY 4
10 B TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF
11 THIS SUBSECTION (4). FOR PURPOSES OF THE INCOME TAX YEAR
12 COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1,
13 2015, THE PURCHASE OR LEASE OF A CATEGORY 4 B TRUCK MUST OCCUR
14 ON OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

15	(b)	INCOME TAX YEAR COMMENCING:					
16						1/1/2021	CAP PER
17		1/1/2014				BUT	INCOME
18		1/1/2015	1/1/2017			BEFORE	TAX
19		1/1/2016	1/1/2018	1/1/2019	1/1/2020	1/1/2022	YEAR
20	LIGHT DUTY						
21	PASSENGER						
22	MOTOR VEHICLE	18%	15%	11.25%	7.5%	3.75%	\$6,000
23	LIGHT DUTY						
24	TRUCK	18%	15%	11.25%	7.5%	3.75%	\$7,500
25	MEDIUM DUTY						
26	TRUCK	18%	15%	11.25%	7.5%	3.75%	\$15,000

1	HEAVY DUTY						
2	TRUCK	18%	15%	11.25%	7.5%	3.75%	\$20,000

3 (5) **Category 4 C.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14)
4 OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING
5 ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS
6 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
7 ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS
8 SUBSECTION (5) OF THE ACTUAL COST INCURRED BY THE TAXPAYER
9 DURING THE TAX YEAR FOR THE CONVERSION OF A CATEGORY 4 C TRUCK,
10 NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS
11 SUBSECTION (5). FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING
12 ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE
13 CONVERSION OF A CATEGORY 4 C TRUCK MUST OCCUR ON OR AFTER JULY
14 1, 2014, BUT BEFORE JANUARY 1, 2015.

15	(b)	INCOME TAX YEAR COMMENCING:					
16						1/1/2021	CAP PER
17		1/1/2014				BUT	INCOME
18		1/1/2015	1/1/2017			BEFORE	TAX
19		1/1/2016	1/1/2018	1/1/2019	1/1/2020	1/1/2022	YEAR
20	LIGHT DUTY						
21	PASSENGER						
22	MOTOR VEHICLE	55%	45%	33.75%	22.5%	11.25%	\$6,000
23	LIGHT DUTY						
24	TRUCK	55%	45%	33.75%	22.5%	11.25%	\$7,500
25	MEDIUM DUTY						
26	TRUCK	55%	45%	33.75%	22.5%	11.25%	\$15,000

1	HEAVY DUTY						
2	TRUCK	55%	45%	33.75%	22.5%	11.25%	\$20,000

3 (6) **Category 5.** WITH RESPECT TO THE INCOME TAX YEARS
4 COMMENCING ON OR AFTER JANUARY 1, 2015, BUT BEFORE JANUARY 1,
5 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX
6 IMPOSED BY THIS ARTICLE OF TWENTY-FIVE PERCENT OF THE ACTUAL COST
7 INCURRED BY THE TAXPAYER DURING A TAX YEAR FOR CATEGORY 5, NOT
8 TO EXCEED SIX THOUSAND DOLLARS.

9 (7) **Category 6.** WITH RESPECT TO THE INCOME TAX YEARS
10 COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1,
11 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX
12 IMPOSED BY THIS ARTICLE OF TWENTY-FIVE PERCENT OF THE ACTUAL COST
13 INCURRED BY THE TAXPAYER DURING A TAX YEAR FOR CATEGORY 6, NOT
14 TO EXCEED SIX THOUSAND DOLLARS FOR EACH INSTALLED DEVICE AND
15 NOT TO EXCEED FIFTY THOUSAND DOLLARS DURING A TAX YEAR FOR THE
16 INSTALLATION OF MULTIPLE DEVICES. FOR PURPOSES OF THE INCOME TAX
17 YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY
18 1, 2015, THE INSTALLATION MUST OCCUR ON OR AFTER JULY 1, 2014, BUT
19 BEFORE JANUARY 1, 2015.

20 (8) **Category 7.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14) OF
21 THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON
22 OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS
23 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
24 ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS
25 SUBSECTION (8) OF THE ACTUAL COST INCURRED BY THE TAXPAYER
26 DURING THE TAX YEAR FOR EACH PURCHASE OR LEASE OF A CATEGORY 7
27 TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF

1 THIS SUBSECTION (8). FOR PURPOSES OF THE INCOME TAX YEAR
 2 COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1,
 3 2015, THE PURCHASE OR LEASE OF A CATEGORY 7 TRUCK MUST OCCUR ON
 4 OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

5 (b)

	INCOME TAX YEAR COMMENCING:					
					1/1/2021	CAP PER
	1/1/2014				BUT	INCOME
	1/1/2015	1/1/2017			BEFORE	TAX
1/1/2016	1/1/2018	1/1/2019	1/1/2020	1/1/2022	YEAR	
LIGHT DUTY PASSENGER MOTOR VEHICLE OVER 8,500 GVWR	18%	15%	11.25%	7.5%	3.75%	\$6,000
LIGHT DUTY TRUCK	18%	15%	11.25%	7.5%	3.75%	\$7,500
MEDIUM DUTY TRUCK	18%	15%	11.25%	7.5%	3.75%	\$15,000
HEAVY DUTY TRUCK	18%	15%	11.25%	7.5%	3.75%	\$20,000

21 (9) **Category 7 A.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14)
 22 OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING
 23 ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS
 24 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
 25 ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS
 26 SUBSECTION (9) OF THE ACTUAL COST INCURRED BY THE TAXPAYER
 27 DURING THE TAX YEAR FOR THE CONVERSION OF A CATEGORY 7 A TRUCK,
 28 NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS

1 SUBSECTION (9). FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING
 2 ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE
 3 CONVERSION OF A CATEGORY 7 A TRUCK MUST OCCUR ON OR AFTER JULY
 4 1, 2014, BUT BEFORE JANUARY 1, 2015.

5 (b)

	INCOME TAX YEAR COMMENCING:					
	1/1/2014				1/1/2021	CAP PER
	1/1/2015	1/1/2017			BUT	INCOME
	1/1/2016	1/1/2018	1/1/2019	1/1/2020	BEFORE	TAX
				1/1/2022	YEAR	
LIGHT DUTY PASSENGER MOTOR VEHICLE WITH A GVWR OVER 8,500 LBS	55%	45%	33.75%	22.5%	11.25%	\$6,000
LIGHT DUTY TRUCK	55%	45%	33.75%	22.5%	11.25%	\$7,500
MEDIUM DUTY TRUCK	55%	45%	33.75%	22.5%	11.25%	\$15,000
HEAVY DUTY TRUCK	55%	45%	33.75%	22.5%	11.25%	\$20,000

21 (10) **Category 8.** (a) WITH RESPECT TO THE INCOME TAX YEARS
 22 COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1,
 23 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX
 24 IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b)
 25 OF THIS SUBSECTION (10) OF THE ACTUAL COST INCURRED BY THE
 26 TAXPAYER DURING THE TAX YEAR FOR EACH PURCHASE OR LEASE OF A
 27 CATEGORY 8 TRAILER, NOT TO EXCEED THE AMOUNT SET FORTH IN
 28 PARAGRAPH (b) OF THIS SUBSECTION (10). FOR PURPOSES OF THE INCOME

1 TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE
 2 JANUARY 1, 2015, THE PURCHASE OR LEASE OF A CATEGORY 8 TRAILER
 3 MUST OCCUR ON OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

4 (b)

INCOME TAX YEAR COMMENCING:						
	1/1/2014				1/1/2021	CAP PER
	1/1/2015	1/1/2017			BUT	INCOME
	1/1/2016	1/1/2018	1/1/2019	1/1/2020	BEFORE	TAX
					1/1/2022	YEAR
CATEGORY 8	18%	15%	11.75%	7.5%	3.75%	\$7,500

10 (11) **Category 8 A.** (a) WITH RESPECT TO THE INCOME TAX YEARS
 11 COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1,
 12 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX
 13 IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b)
 14 OF THIS SUBSECTION (11) OF THE ACTUAL COST INCURRED BY THE
 15 TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A
 16 REFRIGERATED TRAILER TO A CATEGORY 8 A TRAILER, NOT TO EXCEED
 17 THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (11). FOR
 18 PURPOSES OF THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY
 19 1, 2014, BUT BEFORE JANUARY 1, 2015, THE CONVERSION OF A
 20 REFRIGERATED TRAILER TO A CATEGORY 8 A TRAILER MUST OCCUR ON OR
 21 AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

22 (b)

INCOME TAX YEAR COMMENCING:						
	1/1/2014				1/1/2021	CAP PER
	1/1/2015	1/1/2017			BUT	INCOME
	1/1/2016	1/1/2018	1/1/2019	1/1/2020	BEFORE	TAX
					1/1/2022	YEAR
CATEGORY 8 A	55%	45%	33.75%	22.5%	11.25%	\$7,500

1 (11.5) **Category 9.** (a) EXCEPT AS OTHERWISE PROVIDED IN
 2 SUBSECTION (14) OF THIS SECTION, WITH RESPECT TO THE INCOME TAX
 3 YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE
 4 JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST
 5 THE TAX IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN
 6 PARAGRAPH (b) OF THIS SUBSECTION (11.5) OF THE ACTUAL COST
 7 INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION
 8 OF A CATEGORY 9 TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN
 9 PARAGRAPH (b) OF THIS SUBSECTION (11.5).

10 (b)

INCOME TAX YEAR COMMENCING:								
	1/1/2014	1/1/2015	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021	CAP PER
							BUT	INCOME
							BEFORE	TAX
							1/1/2022	YEAR
CATEGORY 9	55%	45%	33.75%	22.5%	11.25%	\$6,000		

16 (12) A TAXPAYER CLAIMING THE CREDIT AUTHORIZED BY THIS
 17 SECTION SHALL NOT CLAIM THE CREDIT IN AN AMOUNT THAT EXCEEDS THE
 18 INCREMENTAL COST OF THE ACTUAL COST INCURRED FOR THE CATEGORY
 19 4, 4 A, 4 B, 4 C, 7, OR 7 A TRUCK OR MOTOR VEHICLE OVER THE
 20 MANUFACTURER'S SUGGESTED RETAIL PRICE OF A COMPARABLE
 21 TRADITIONAL FUEL TRUCK OR LIGHT DUTY PASSENGER MOTOR VEHICLE.

22 (13) IF A CREDIT AUTHORIZED IN THIS SECTION EXCEEDS THE
 23 INCOME TAX DUE ON THE INCOME OF THE TAXPAYER FOR THE TAXABLE
 24 YEAR, THE EXCESS CREDIT MAY NOT BE CARRIED FORWARD AND MUST BE
 25 REFUNDED TO THE TAXPAYER.

26 (14) (a) DURING THE CALENDAR YEAR ENDING DECEMBER 31,
 27 2018, THE COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101,

1 C.R.S., SHALL DETERMINE WHETHER CATEGORY 4, 4 A, 4 B, 4 C, 7, 7 A, OR
2 9 MEDIUM OR HEAVY DUTY TRUCKS GENERATE LIFE-CYCLE EMISSIONS
3 MATERIALLY GREATER THAN COMPARABLE MEDIUM OR HEAVY DUTY
4 TRUCKS USING TRADITIONAL FUEL. SUCH A LIFE-CYCLE ANALYSIS MUST
5 INCLUDE THE DIRECT EMISSIONS REGULATED BY THE UNITED STATES
6 ENVIRONMENTAL PROTECTION AGENCY OR BY THE DEPARTMENT OF PUBLIC
7 HEALTH AND ENVIRONMENT THAT ARE ASSOCIATED WITH PRODUCING,
8 TRANSPORTING, AND USING THE ALTERNATIVE OR TRADITIONAL FUELS.
9 THE COLORADO ENERGY OFFICE SHALL CONSIDER THE LIKELY ADOPTION
10 OF FUTURE TECHNOLOGY AT EACH STAGE OF THE LIFE-CYCLE.

11 (b) IN MAKING THE DETERMINATIONS DESCRIBED IN PARAGRAPH
12 (a) OF THIS SUBSECTION (14), THE COLORADO ENERGY OFFICE SHALL
13 CONSIDER PUBLIC INPUT, ANY ANALYSIS OR REPORTS PREPARED BY THE
14 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, OTHER STATES, OR
15 THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, AND ANY
16 PEER-REVIEWED STUDIES CONDUCTED IN THE UNITED STATES THAT
17 EVALUATE SIMILAR MATTERS.

18 (c) IN THE EVENT THAT CATEGORY 4, 4 A, 4 B, 4 C, 7, 7 A, OR 9
19 MEDIUM OR HEAVY DUTY TRUCKS ARE SHOWN TO GENERATE LIFE-CYCLE
20 EMISSIONS MATERIALLY GREATER THAN COMPARABLE TRADITIONAL FUEL
21 TRUCKS, THEN THE COLORADO ENERGY OFFICE SHALL NOTIFY THE
22 DEPARTMENT OF REVENUE THAT NO TAX CREDIT SPECIFIED IN THIS
23 SECTION IS AVAILABLE FOR SUCH TRUCKS FOR THE INCOME TAX YEARS
24 COMMENCING ON OR AFTER JANUARY 1, 2019, BUT BEFORE JANUARY 1,
25 2022; EXCEPT THAT THE COLORADO ENERGY OFFICE MAY DETERMINE IF
26 A PARTICULAR CATEGORY 4, 4 A, 4 B, 4 C, 7, 7 A, OR 9 TRUCK MODEL OR
27 ENGINE DOES NOT GENERATE LIFE-CYCLE EMISSIONS MATERIALLY

1 GREATER THAN A COMPARABLE TRADITIONAL FUEL TRUCK MODEL OR
2 ENGINE AND IS THUS ALLOWED A CREDIT FOR A GIVEN INCOME TAX YEAR,
3 OR THE COLORADO ENERGY OFFICE MAY ALLOW A CREDIT IF THE
4 TAXPAYER CAN DEMONSTRATE THAT THE TAXPAYER HAS A LONG-TERM
5 FUEL CONTRACT FOR HIS OR HER CATEGORY 4, 4 A, 4 B, 4 C, 7, 7 A, OR 9
6 TRUCK FROM A GREEN FUEL PROVIDER, SUCH THAT THE LIFE-CYCLE
7 EMISSIONS FROM SUCH TRUCK ARE NOT MATERIALLY GREATER THAN THE
8 EMISSIONS OF A COMPARABLE TRADITIONAL FUEL TRUCK. FOR PURPOSES
9 OF THIS PARAGRAPH (c), "GREEN FUEL PROVIDER" MEANS THE
10 ALTERNATIVE FUEL IS PRODUCED AND DELIVERED BY PROVIDERS THAT
11 HAVE ADOPTED BEST PRACTICES FOR LOW LIFE-CYCLE EMISSIONS. ON OR
12 BEFORE JANUARY 1, 2019, AND ON OR BEFORE EACH JANUARY 1
13 THEREAFTER THROUGH JANUARY 1, 2021, THE COLORADO ENERGY OFFICE
14 AND THE DEPARTMENT OF REVENUE SHALL, THROUGH THEIR RESPECTIVE
15 WEB SITES, SPECIFY WHICH CATEGORY 4, 4 A, 4 B, 4 C, 7, 7 A, OR 9
16 MEDIUM OR HEAVY DUTY TRUCKS ARE NOT ALLOWED A CREDIT FOR A
17 GIVEN INCOME TAX YEAR.

18 (15) NO MORE THAN ONE TAX CREDIT SHALL BE GRANTED
19 PURSUANT TO THIS SECTION AND SECTIONS 39-22-516, 39-22-516.5, AND
20 39-22-516.7 FOR ANY INDIVIDUAL MOTOR VEHICLE OR TRUCK.

21 (16) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2026.

22 **SECTION 3.** In Colorado Revised Statutes, 39-22-516.7, **amend**
23 (1) (h), (1) (i), (1) (j), (1) (n), (2) (a), (2) (d), (4) (e), (4) (f), (4) (g), and
24 (6); and **add** (2) (a.5) as follows:

25 **39-22-516.7. Tax credit for innovative motor vehicles -**
26 **definitions - repeal.** (1) As used in this section, unless the context
27 otherwise requires:

1 (h) (I) "Category 4" means original equipment manufacturer light
2 duty passenger motor vehicles, light duty trucks, and medium duty trucks
3 that are equipped to operate on compressed natural gas or on liquefied
4 petroleum gas. For purposes of this paragraph (h), "operate on
5 compressed natural gas or on liquefied petroleum gas" means a motor
6 vehicle that operates exclusively on compressed natural gas or on
7 liquefied petroleum gas or a bi-fuel motor vehicle with a multi-fuel
8 engine capable of running on either compressed natural gas or traditional
9 fuel, or either liquefied petroleum gas or traditional fuel.

10 (II) THIS PARAGRAPH (h) IS REPEALED, EFFECTIVE DECEMBER 31,
11 2019.

12 (i) (I) "Category 4 A" means light duty passenger motor vehicle,
13 light duty truck, and medium duty truck compressed natural gas or on
14 liquefied petroleum gas conversions certified by the United States
15 environmental protection agency. For purposes of this paragraph (i),
16 "compressed natural gas or liquefied petroleum gas conversions" means
17 a conversion to a motor vehicle that operates exclusively on compressed
18 natural gas or on liquefied petroleum gas or a bi-fuel motor vehicle with
19 a multi-fuel engine capable of running on either compressed natural gas
20 or traditional fuel, or either liquefied petroleum gas or traditional fuel.

21 (II) THIS PARAGRAPH (i) IS REPEALED, EFFECTIVE DECEMBER 31,
22 2019.

23 (j) (I) "Category 5" means the installation of any idling reduction
24 technologies on or in a motor vehicle.

25 (II) THIS PARAGRAPH (j) IS REPEALED, EFFECTIVE DECEMBER 31,
26 2019.

27 (n) (I) "Idling reduction technologies" means idling reduction

1 devices or advanced insulation, as those terms are defined in section 4053
2 of the internal revenue code, as amended, exempt from federal excise tax
3 pursuant to said section 4053.

4 (II) THIS PARAGRAPH (n) IS REPEALED, EFFECTIVE DECEMBER 31,
5 2019.

6 (2) (a) With respect to the tax years commencing on or after
7 January 1, 2013, but prior to January 1, 2022, there shall be IS allowed to
8 any person a credit against the tax imposed by this article, not to exceed
9 six thousand dollars, for the purchase, lease, or conversion of a motor
10 vehicle defined as category 1, category 2, OR category 3. ~~category 4, or~~
11 ~~category 4 A.~~

12 (a.5) (I) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR
13 AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1, 2015, THERE IS
14 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
15 ARTICLE, NOT TO EXCEED SIX THOUSAND DOLLARS, FOR THE PURCHASE,
16 LEASE, OR CONVERSION OF A MOTOR VEHICLE DEFINED AS CATEGORY 4 OR
17 CATEGORY 4 A.

18 (II) THIS PARAGRAPH (a.5) IS REPEALED, EFFECTIVE DECEMBER 31,
19 2019.

20 (d) (I) With respect to the tax years commencing on or after
21 January 1, 2013, but prior to ~~January 1, 2022~~ JANUARY 1, 2015, there
22 shall be IS allowed to any person a credit against the tax imposed by this
23 article, not to exceed six thousand dollars, for category 5.

24 (II) THIS PARAGRAPH (d) IS REPEALED, EFFECTIVE DECEMBER 31,
25 2019.

26 (4) The amount of the credit allowed pursuant to this section is
27 calculated as follows:

1 (e) (I) **Category 4.** (A) With respect to the tax years commencing
2 on or after January 1, 2013, but prior to January 1, 2014, ten and one-half
3 percent of the actual cost incurred by a taxpayer during the tax year in
4 purchasing or leasing a category 4 motor vehicle;

5 ~~(H)~~ (B) With respect to the tax years commencing on or after
6 January 1, 2014, but prior to ~~January 1, 2017~~ JANUARY 1, 2015, twelve
7 and one-quarter percent of the actual cost incurred by a taxpayer during
8 the tax year in purchasing or leasing a category 4 motor vehicle.

9 ~~(HH)~~ ~~With respect to the tax years commencing on or after January~~
10 ~~1, 2017, but prior to January 1, 2019, ten and one-half percent of the~~
11 ~~actual cost incurred by a taxpayer during the tax year in purchasing or~~
12 ~~leasing a category 4 motor vehicle;~~

13 ~~(IV)~~ ~~With respect to the tax years commencing on or after January~~
14 ~~1, 2019, but prior to January 1, 2020, seventy-five percent of the~~
15 ~~calculation specified in subparagraph (HH) of this paragraph (e);~~

16 ~~(V)~~ ~~With respect to the tax years commencing on or after January~~
17 ~~1, 2020, but prior to January 1, 2021, fifty percent of the calculation~~
18 ~~specified in subparagraph (HH) of this paragraph (e);~~

19 ~~(VI)~~ ~~With respect to the tax years commencing on or after January~~
20 ~~1, 2021, but prior to January 1, 2022, twenty-five percent of the~~
21 ~~calculation specified in subparagraph (HH) of this paragraph (e).~~

22 (II) THIS PARAGRAPH (e) IS REPEALED, EFFECTIVE DECEMBER 31,
23 2019.

24 (f) (I) **Category 4 A.** (A) With respect to the tax years
25 commencing on or after January 1, 2013, but prior to January 1, 2014,
26 thirty-five percent of the actual cost incurred by a taxpayer during the tax
27 year for the conversion of a motor vehicle defined as category 4 A;

1 ~~(H)~~ (B) With respect to the tax years commencing on or after
2 January 1, 2014, but prior to ~~January 1, 2019~~ JANUARY 1, 2015,
3 twenty-five percent of the actual cost incurred by a taxpayer during the
4 tax year for the conversion of a motor vehicle defined as category 4 A.

5 ~~(HH)~~ With respect to the tax years commencing on or after January
6 1, 2019, but prior to January 1, 2020, ~~seventy-five percent of the~~
7 calculation specified in subparagraph (H) of this paragraph (f);

8 ~~(IV)~~ With respect to the tax years commencing on or after January
9 1, 2020, but prior to January 1, 2021, ~~fifty percent of the calculation~~
10 specified in subparagraph (H) of this paragraph (f);

11 ~~(V)~~ With respect to the tax years commencing on or after January
12 1, 2021, but prior to January 1, 2022, ~~twenty-five percent of the~~
13 calculation specified in subparagraph (H) of this paragraph (f).

14 (II) THIS PARAGRAPH (f) IS REPEALED, EFFECTIVE DECEMBER 31,
15 2019.

16 (g) **Category 5.** (I) With respect to the tax years commencing on
17 or after January 1, 2013, but prior to ~~January 1, 2019~~ JANUARY 1, 2015,
18 twenty-five percent of the actual cost incurred by a taxpayer during the
19 tax year for category 5.

20 ~~(II)~~ With respect to the tax years commencing on or after January
21 1, 2019, but prior to January 1, 2020, ~~seventy-five percent of the~~
22 calculation specified in subparagraph (I) of this paragraph (g); THIS
23 PARAGRAPH (g) IS REPEALED, EFFECTIVE DECEMBER 31, 2019.

24 ~~(HH)~~ With respect to the tax years commencing on or after January
25 1, 2020, but prior to January 1, 2021, ~~fifty percent of the calculation~~
26 specified in subparagraph (I) of this paragraph (g);

27 ~~(IV)~~ With respect to the tax years commencing on or after January

1 1, 2021, but prior to January 1, 2022, twenty-five percent of the
2 calculation specified in subparagraph (I) of this paragraph (g):

3 (6) Except as provided in subsection (5) of this section, and
4 notwithstanding the allowance of credits for any tax years commencing
5 on or after January 1, 2013, but prior to January 1, 2014, under this
6 section and section 39-22-516.5, no more than one tax credit shall be
7 granted pursuant to this section ~~section~~ AND SECTIONS 39-22-516, and
8 ~~section~~ 39-22-516.5, AND 39-22-516.8 for any individual motor vehicle.

9 **SECTION 4.** In Colorado Revised Statutes, 39-22-516.7, **amend**
10 (1) (a) (I) (A) as follows:

11 **39-22-516.7. Tax credit for innovative motor vehicles -**
12 **definitions - repeal.** (1) As used in this section, unless the context
13 otherwise requires:

14 (a) (I) (A) "Actual cost incurred" means the actual cost paid by the
15 purchaser for a used motor vehicle OR conversion ~~or idling reduction~~
16 ~~technologies~~ minus any credits, grants, or rebates, including federal
17 credits, grants, or rebates for which the purchaser is eligible, but
18 excluding the credit specified in this section.

19 **SECTION 5.** In Colorado Revised Statutes, 39-26-719, **amend**
20 (1) (a) and (2) (b) (I) as follows:

21 **39-26-719. Motor vehicles - repeal.** (1) (a) There shall be
22 exempt from taxation under the provisions of part 1 of this article the sale
23 of any motor vehicle, power source for any motor vehicle, or parts used
24 for converting the power source for any motor vehicle, if:

25 (I) (A) FOR SALES OCCURRING ON OR BEFORE JUNE 30, 2014, the
26 gross vehicle weight rating of the motor vehicle is greater than ten
27 thousand pounds and if the motor vehicle, power source, or parts used for

1 converting the power source are certified by the ~~federal~~ UNITED STATES
2 environmental protection agency or any state as provided in the "Federal
3 Clean Air Act" as meeting an emission standard equal to or more
4 stringent than the low-emitting vehicle emission standard.

5 (B) THIS SUBPARAGRAPH (I) IS REPEALED, EFFECTIVE DECEMBER
6 31, 2015.

7 (II) FOR SALES OCCURRING ON OR AFTER JULY 1, 2014:

8 (A) THE GROSS VEHICLE WEIGHT RATING OF THE MOTOR VEHICLE
9 IS GREATER THAN TWENTY-SIX THOUSAND POUNDS AND IF THE POWER
10 SOURCE OR PARTS USED FOR CONVERTING THE POWER SOURCE ARE
11 CERTIFIED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
12 AND THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION AS
13 PROVIDED IN THE FEDERAL HEAVY-DUTY NATIONAL PROGRAM THAT
14 INCLUDES NEW GREENHOUSE GAS EMISSIONS STANDARDS AS ESTABLISHED
15 BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND THE
16 NEW FUEL EFFICIENCY STANDARDS AS ESTABLISHED BY THE NATIONAL
17 HIGHWAY TRAFFIC SAFETY ADMINISTRATION; OR

18 (B) THE GROSS VEHICLE WEIGHT RATING OF THE MOTOR VEHICLE
19 IS GREATER THAN TEN THOUSAND POUNDS AND IF THE MOTOR VEHICLE,
20 POWER SOURCE, OR PARTS USED FOR CONVERTING THE POWER SOURCE
21 MEETS THE DEFINITION OF A CATEGORY 4, 4 A, 4 B, 4 C, 7, OR 7 A TRUCK
22 AS DEFINED IN SECTION 39-22-516.8.

23 (2) The following shall be exempt from taxation under the
24 provisions of part 2 of this article:

25 (b) (I) The storage, use, or consumption of a motor vehicle, power
26 source for a motor vehicle, and parts used for converting the power
27 source of a motor vehicle, if:

1 (A) FOR SALES OCCURRING ON OR BEFORE JUNE 30, 2014, the gross
2 vehicle weight rating of the motor vehicle is greater than ten thousand
3 pounds and if the motor vehicle, power source, or parts used for
4 converting the power source are certified by the ~~federal~~ UNITED STATES
5 environmental protection agency or any state as provided in the "Federal
6 Clean Air Act" as meeting an emission standard equal to or more
7 stringent than the low-emitting vehicle emission standard;

8 (B) FOR SALES OCCURRING ON OR AFTER JULY 1, 2014, THE GROSS
9 VEHICLE WEIGHT RATING OF THE MOTOR VEHICLE IS GREATER THAN
10 TWENTY-SIX THOUSAND POUNDS AND IF THE POWER SOURCE OR PARTS
11 USED FOR CONVERTING THE POWER SOURCE ARE CERTIFIED BY THE UNITED
12 STATES ENVIRONMENTAL PROTECTION AGENCY AND THE NATIONAL
13 HIGHWAY TRAFFIC SAFETY ADMINISTRATION AS PROVIDED IN THE FEDERAL
14 HEAVY-DUTY NATIONAL PROGRAM THAT INCLUDES NEW GREENHOUSE GAS
15 EMISSIONS STANDARDS AS ESTABLISHED BY THE UNITED STATES
16 ENVIRONMENTAL PROTECTION AGENCY AND THE NEW FUEL EFFICIENCY
17 STANDARDS AS ESTABLISHED BY THE NATIONAL HIGHWAY TRAFFIC SAFETY
18 ADMINISTRATION; OR

19 (C) FOR SALES OCCURRING ON OR AFTER JULY 1, 2014, THE GROSS
20 VEHICLE WEIGHT RATING OF THE MOTOR VEHICLE IS GREATER THAN TEN
21 THOUSAND POUNDS AND IF THE MOTOR VEHICLE, POWER SOURCE, OR
22 PARTS USED FOR CONVERTING THE POWER SOURCE MEETS THE DEFINITION
23 OF A CATEGORY 4, 4 A, 4 B, 4 C, 7, OR 7 A TRUCK AS DEFINED IN SECTION
24 39-22-516.8.

25 **SECTION 6.** In Colorado Revised Statutes, 42-3-107, **amend** (1)
26 (a) (I); and **add** (1) (a) (I.5) as follows:

27 **42-3-107. Taxable value of classes of property - rate of tax -**

1 **when and where payable - department duties - apportionment of tax**
2 **collections - definitions - rules - repeal.** (1) (a) (I) EXCEPT AS PROVIDED
3 IN SUBPARAGRAPH (I.5) OF THIS PARAGRAPH (a), the taxable value of
4 every item of Class A or Class B personal property greater than sixteen
5 thousand pounds declared empty vehicle weight shall be the actual
6 purchase price of such property. Such price shall not include any
7 applicable federal excise tax, including the excise tax on the first retail
8 sale of a heavy truck, trailer, or tractor for which the seller is liable,
9 transportation or shipping costs, or preparation and delivery costs. The
10 taxable value of every item of Class A or Class B personal property less
11 than or equal to sixteen thousand pounds declared empty vehicle weight
12 shall be seventy-five percent of the manufacturer's suggested retail price.

13 (I.5) (A) THE TAXABLE VALUE OF EVERY ITEM OF CLASS A OR
14 CLASS B PERSONAL PROPERTY GREATER THAN SIXTEEN THOUSAND
15 POUNDS DECLARED EMPTY VEHICLE WEIGHT THAT MEETS THE DEFINITION
16 OF CATEGORY 4, CATEGORY 4 A, CATEGORY 4 B, CATEGORY 4 C,
17 CATEGORY 7, AND CATEGORY 7 A TRUCKS AS DEFINED IN SECTION
18 39-22-516.8, C.R.S., IS SEVENTY-FIVE PERCENT OF THE ACTUAL PURCHASE
19 PRICE OF SUCH PROPERTY.

20 (B) THIS SUBPARAGRAPH (I.5) IS REPEALED, EFFECTIVE DECEMBER
21 31, 2026.

22 **SECTION 7. Effective date.** This act takes effect upon passage;
23 except that section 4 of this act amending section 39-22-516.7 (1) (a) (I)
24 (A), Colorado Revised Statutes, takes effect December 31, 2019.

25 **SECTION 8. Safety clause.** The general assembly hereby finds,
26 determines, and declares that this act is necessary for the immediate
27 preservation of the public peace, health, and safety.