

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

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
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING TAX INCENTIVES FOR ALTERNATIVE FUEL TRUCKS, AND,**
102 **IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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

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.*

HOUSE
3rd Reading Unamended
April 15, 2014

HOUSE
Amended 2nd Reading
April 14, 2014

- may claim in a tax year;
- ! Expands the income tax credit for the purchase or 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:

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

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

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


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

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

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

27 (a) (I) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST

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

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

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

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

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

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

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

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

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

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

1 FLOW OVER A TRUCK AND TRAILER; EXCEPT THAT "AERODYNAMIC
2 TECHNOLOGIES" DO NOT INCLUDE TIRES.

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

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

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

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

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

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

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

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

1 FUEL, OR A DUAL-FUEL TRUCK WITH A MULTI-FUEL ENGINE CAPABLE OF
2 RUNNING ON BOTH LIQUIFIED NATURAL GAS AND TRADITIONAL FUEL, OR
3 ON BOTH HYDROGEN AND TRADITIONAL FUEL.

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

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

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

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

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

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

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

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

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

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

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

1 (r) "ELECTRIC TRUCK" OR "PLUG-IN HYBRID ELECTRIC TRUCK"
2 MEANS A TRUCK THAT:

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

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

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

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

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

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

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

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

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

1 (w) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING
2 REDUCTION DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE
3 DEFINED IN SECTION 4053 OF THE INTERNAL REVENUE CODE, AS AMENDED,
4 THAT ARE EXEMPT FROM FEDERAL EXCISE TAX PURSUANT TO SAID SECTION
5 4053.

6 (x) "LIGHT DUTY ELECTRIC TRUCK" MEANS AN ELECTRIC TRUCK
7 WITH A GROSS VEHICLE WEIGHT RATING LESS THAN OR EQUAL TO TEN
8 THOUSAND POUNDS BUT DOES NOT INCLUDE A LIGHT DUTY PASSENGER
9 MOTOR VEHICLE.

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

16 (z) "LIGHT DUTY TRUCK" MEANS A TRUCK WITH A GROSS VEHICLE
17 WEIGHT RATING LESS THAN OR EQUAL TO FOURTEEN THOUSAND POUNDS
18 BUT DOES NOT INCLUDE A LIGHT DUTY PASSENGER MOTOR VEHICLE.

19 (aa) "MEDIUM DUTY ELECTRIC TRUCK" MEANS AN ELECTRIC TRUCK
20 WITH A GROSS VEHICLE WEIGHT RATING GREATER THAN TEN THOUSAND
21 POUNDS AND UP TO TWENTY-SIX THOUSAND POUNDS.

22 (bb) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS
23 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS
24 AND UP TO TWENTY-SIX THOUSAND POUNDS.

25 (cc) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR
26 FUEL COMMONLY USED ON THE HIGHWAYS OF THE STATE IN THE YEAR
27 2008.

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

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

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

9 (II) REGISTERED UNDER THE INTERNATIONAL REGISTRATION PLAN
10 AND BASE PLATED IN THE STATE.

11 (2) **Category 4.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14) OF
12 THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON
13 OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS
14 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
15 ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS
16 SUBSECTION (2) OF THE ACTUAL COST INCURRED BY THE TAXPAYER
17 DURING THE TAX YEAR FOR EACH PURCHASE OR LEASE OF A CATEGORY 4
18 TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF
19 THIS SUBSECTION (2). FOR PURPOSES OF THE INCOME TAX YEAR
20 COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1,
21 2015, THE PURCHASE OR LEASE OF A CATEGORY 4 TRUCK MUST OCCUR ON
22 OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

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(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
								INCOME
								TAX
								YEAR
LIGHT DUTY PASSENGER MOTOR VEHICLE	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		

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

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	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
	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2022	INCOME
								TAX
								YEAR
LIGHT DUTY								
PASSENGER								
MOTOR								
VEHICLE	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		

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

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(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
LIGHT DUTY PASSENGER MOTOR VEHICLE	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		

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

1 YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY
 2 1, 2015, THE INSTALLATION MUST OCCUR ON OR AFTER JULY 1, 2014, BUT
 3 BEFORE JANUARY 1, 2015.

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

16 (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	1/1/2022	CAP PER
									INCOME
									TAX
									YEAR
LIGHT DUTY PASSENGER MOTOR VEHICLE OVER 8,500 GVWR	18%	15%	11.25%	7.5%	3.75%	\$6,000			

1	LIGHT DUTY						
2	ELECTRIC	18%	15%	11.25%	7.5%	3.75%	\$7,500
3	TRUCK						
4	MEDIUM DUTY						
5	ELECTRIC	18%	15%	11.25%	7.5%	3.75%	\$15,000
6	TRUCK						
7	HEAVY DUTY						
8	TRUCK	18%	15%	11.25%	7.5%	3.75%	\$20,000

9 (9) **Category 7 A.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14)
10 OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING
11 ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS
12 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
13 ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS
14 SUBSECTION (9) OF THE ACTUAL COST INCURRED BY THE TAXPAYER
15 DURING THE TAX YEAR FOR THE CONVERSION OF A CATEGORY 7 A TRUCK,
16 NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS
17 SUBSECTION (9). FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING
18 ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE
19 CONVERSION OF A CATEGORY 7 A TRUCK MUST OCCUR ON OR AFTER JULY
20 1, 2014, BUT BEFORE JANUARY 1, 2015.

21 (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

1	LIGHT DUTY						
2	PASSENGER						
3	MOTOR VEHICLE						
4	WITH A GVWR						
5	OVER 8,500 LBS	55%	45%	33.75%	22.5%	11.25%	\$6,000
6	LIGHT DUTY						
7	<u>ELECTRIC</u>	55%	45%	33.75%	22.5%	11.25%	\$7,500
8	TRUCK						
9	MEDIUM DUTY						
10	<u>ELECTRIC</u>	55%	45%	33.75%	22.5%	11.25%	\$15,000
11	TRUCK						
12	HEAVY DUTY						
13	TRUCK	55%	45%	33.75%	22.5%	11.25%	\$20,000

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

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(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
CATEGORY 8	18%	15%	11.75%	7.5%	3.75%	\$7,500

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

(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
CATEGORY 8 A	55%	45%	33.75%	22.5%	11.25%	\$7,500

(11.5) **Category 9.** (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (14) OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE

1 JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST
 2 THE TAX IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN
 3 PARAGRAPH (b) OF THIS SUBSECTION (11.5) OF THE ACTUAL COST
 4 INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION
 5 OF A CATEGORY 9 TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN
 6 PARAGRAPH (b) OF THIS SUBSECTION (11.5).

7 (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
CATEGORY 9	55%	45%	33.75%	22.5%	11.25%	\$6,000

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

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

23 (14) (a) DURING THE CALENDAR YEAR ENDING DECEMBER 31,
 24 2018, THE COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101,
 25 C.R.S., SHALL DETERMINE WHETHER CATEGORY 4, 4 A, 4 B, 4 C, 7, 7 A, OR
 26 9 MEDIUM OR HEAVY DUTY TRUCKS GENERATE LIFE-CYCLE EMISSIONS
 27 MATERIALLY GREATER THAN COMPARABLE MEDIUM OR HEAVY DUTY

1 TRUCKS USING TRADITIONAL FUEL. SUCH A LIFE-CYCLE ANALYSIS MUST
2 INCLUDE THE DIRECT EMISSIONS REGULATED BY THE UNITED STATES
3 ENVIRONMENTAL PROTECTION AGENCY OR BY THE DEPARTMENT OF PUBLIC
4 HEALTH AND ENVIRONMENT THAT ARE ASSOCIATED WITH PRODUCING,
5 TRANSPORTING, AND USING THE ALTERNATIVE OR TRADITIONAL FUELS.
6 THE COLORADO ENERGY OFFICE SHALL CONSIDER THE LIKELY ADOPTION
7 OF FUTURE TECHNOLOGY AT EACH STAGE OF THE LIFE-CYCLE.

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

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

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

15 (15) NO MORE THAN ONE TAX CREDIT SHALL BE GRANTED
16 PURSUANT TO THIS SECTION AND SECTIONS 39-22-516, 39-22-516.5, AND
17 39-22-516.7 FOR ANY INDIVIDUAL MOTOR VEHICLE OR TRUCK.

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

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

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

25 (h) (I) "Category 4" means original equipment manufacturer light
26 duty passenger motor vehicles, light duty trucks, and medium duty trucks
27 that are equipped to operate on compressed natural gas or on liquefied

1 petroleum gas. For purposes of this paragraph (h), "operate on
2 compressed natural gas or on liquefied petroleum gas" means a motor
3 vehicle that operates exclusively on compressed natural gas or on
4 liquefied petroleum gas or a bi-fuel motor vehicle with a multi-fuel
5 engine capable of running on either compressed natural gas or traditional
6 fuel, or either liquefied petroleum gas or traditional fuel.

7 (II) THIS PARAGRAPH (h) IS REPEALED, EFFECTIVE DECEMBER 31,
8 2019.

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

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

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

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

24 (n) (I) "Idling reduction technologies" means idling reduction
25 devices or advanced insulation, as those terms are defined in section 4053
26 of the internal revenue code, as amended, exempt from federal excise tax
27 pursuant to said section 4053.

1 (II) THIS PARAGRAPH (n) IS REPEALED, EFFECTIVE DECEMBER 31,
2 2019.

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

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

15 (II) THIS PARAGRAPH (a.5) IS REPEALED, EFFECTIVE DECEMBER 31,
16 2019.

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

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

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

25 (e) (I) **Category 4. (A)** With respect to the tax years commencing
26 on or after January 1, 2013, but prior to January 1, 2014, ten and one-half
27 percent of the actual cost incurred by a taxpayer during the tax year in

1 purchasing or leasing a category 4 motor vehicle;

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

6 ~~(HH)~~ ~~With respect to the tax years commencing on or after January~~
7 ~~1, 2017, but prior to January 1, 2019, ten and one-half percent of the~~
8 ~~actual cost incurred by a taxpayer during the tax year in purchasing or~~
9 ~~leasing a category 4 motor vehicle;~~

10 ~~(IV)~~ ~~With respect to the tax years commencing on or after January~~
11 ~~1, 2019, but prior to January 1, 2020, seventy-five percent of the~~
12 ~~calculation specified in subparagraph (HH) of this paragraph (e);~~

13 ~~(V)~~ ~~With respect to the tax years commencing on or after January~~
14 ~~1, 2020, but prior to January 1, 2021, fifty percent of the calculation~~
15 ~~specified in subparagraph (HH) of this paragraph (e);~~

16 ~~(VI)~~ ~~With respect to the tax years commencing on or after January~~
17 ~~1, 2021, but prior to January 1, 2022, twenty-five percent of the~~
18 ~~calculation specified in subparagraph (HH) of this paragraph (e).~~

19 (II) THIS PARAGRAPH (e) IS REPEALED, EFFECTIVE DECEMBER 31,
20 2019.

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

25 ~~(H)~~ (B) With respect to the tax years commencing on or after
26 January 1, 2014, but prior to ~~January 1, 2019~~ JANUARY 1, 2015,
27 twenty-five percent of the actual cost incurred by a taxpayer during the

1 tax year for the conversion of a motor vehicle defined as category 4 A.

2 ~~(HH) With respect to the tax years commencing on or after January~~
3 ~~1, 2019, but prior to January 1, 2020, seventy-five percent of the~~
4 ~~calculation specified in subparagraph (H) of this paragraph (f);~~

5 ~~(IV) With respect to the tax years commencing on or after January~~
6 ~~1, 2020, but prior to January 1, 2021, fifty percent of the calculation~~
7 ~~specified in subparagraph (H) of this paragraph (f);~~

8 ~~(V) With respect to the tax years commencing on or after January~~
9 ~~1, 2021, but prior to January 1, 2022, twenty-five percent of the~~
10 ~~calculation specified in subparagraph (H) of this paragraph (f).~~

11 (II) THIS PARAGRAPH (f) IS REPEALED, EFFECTIVE DECEMBER 31,
12 2019.

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

17 ~~(II) With respect to the tax years commencing on or after January~~
18 ~~1, 2019, but prior to January 1, 2020, seventy-five percent of the~~
19 ~~calculation specified in subparagraph (I) of this paragraph (g); THIS~~
20 ~~PARAGRAPH (g) IS REPEALED, EFFECTIVE DECEMBER 31, 2019.~~

21 ~~(HH) With respect to the tax years commencing on or after January~~
22 ~~1, 2020, but prior to January 1, 2021, fifty percent of the calculation~~
23 ~~specified in subparagraph (I) of this paragraph (g);~~

24 ~~(IV) With respect to the tax years commencing on or after January~~
25 ~~1, 2021, but prior to January 1, 2022, twenty-five percent of the~~
26 ~~calculation specified in subparagraph (I) of this paragraph (g).~~

27 (6) Except as provided in subsection (5) of this section, and

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

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

8 **39-22-516.7. Tax credit for innovative motor vehicles -**
9 **definitions - repeal.** (1) As used in this section, unless the context
10 otherwise requires:

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

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

18 **39-26-719. Motor vehicles - repeal.** (1) (a) There shall be
19 exempt from taxation under the provisions of part 1 of this article the sale
20 of any motor vehicle, power source for any motor vehicle, or parts used
21 for converting the power source for any motor vehicle, if:

22 (I) (A) FOR SALES OCCURRING ON OR BEFORE JUNE 30, 2014, the
23 gross vehicle weight rating of the motor vehicle is greater than ten
24 thousand pounds and if the motor vehicle, power source, or parts used for
25 converting the power source are certified by the ~~federal~~ UNITED STATES
26 environmental protection agency or any state as provided in the "Federal
27 Clean Air Act" as meeting an emission standard equal to or more

1 stringent than the low-emitting vehicle emission standard.

2 (B) THIS SUBPARAGRAPH (I) IS REPEALED, EFFECTIVE DECEMBER
3 31, 2015.

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

5 (A) THE GROSS VEHICLE WEIGHT RATING OF THE MOTOR VEHICLE
6 IS GREATER THAN TWENTY-SIX THOUSAND POUNDS AND IF THE POWER
7 SOURCE OR PARTS USED FOR CONVERTING THE POWER SOURCE ARE
8 CERTIFIED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
9 AS PROVIDED IN THE FEDERAL HEAVY-DUTY NATIONAL PROGRAM THAT
10 INCLUDES NEW GREENHOUSE GAS EMISSIONS STANDARDS AS ESTABLISHED
11 BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY; OR

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

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

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

22 (A) FOR SALES OCCURRING ON OR BEFORE JUNE 30, 2014, the gross
23 vehicle weight rating of the motor vehicle is greater than ten thousand
24 pounds and if the motor vehicle, power source, or parts used for
25 converting the power source are certified by the ~~federal~~ UNITED STATES
26 environmental protection agency or any state as provided in the "Federal
27 Clean Air Act" as meeting an emission standard equal to or more

1 stringent than the low-emitting vehicle emission standard;

2 (B) FOR SALES OCCURRING ON OR AFTER JULY 1, 2014, THE GROSS
3 VEHICLE WEIGHT RATING OF THE MOTOR VEHICLE IS GREATER THAN
4 TWENTY-SIX THOUSAND POUNDS AND IF THE POWER SOURCE OR PARTS
5 USED FOR CONVERTING THE POWER SOURCE ARE CERTIFIED BY THE UNITED
6 STATES ENVIRONMENTAL PROTECTION AGENCY AS PROVIDED IN THE
7 FEDERAL HEAVY-DUTY NATIONAL PROGRAM THAT INCLUDES NEW
8 GREENHOUSE GAS EMISSIONS STANDARDS AS ESTABLISHED BY THE UNITED
9 STATES ENVIRONMENTAL PROTECTION AGENCY; OR

10 (C) FOR SALES OCCURRING ON OR AFTER JULY 1, 2014, THE GROSS
11 VEHICLE WEIGHT RATING OF THE MOTOR VEHICLE IS GREATER THAN TEN
12 THOUSAND POUNDS AND IF THE MOTOR VEHICLE, POWER SOURCE, OR
13 PARTS USED FOR CONVERTING THE POWER SOURCE MEETS THE DEFINITION
14 OF A CATEGORY 4, 4 A, 4 B, 4 C, 7, OR 7 A TRUCK AS DEFINED IN SECTION
15 39-22-516.8.

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

18 **42-3-107. Taxable value of classes of property - rate of tax -**
19 **when and where payable - department duties - apportionment of tax**
20 **collections - definitions - rules - repeal.** (1) (a) (I) EXCEPT AS PROVIDED
21 IN SUBPARAGRAPH (I.5) OF THIS PARAGRAPH (a), the taxable value of
22 every item of Class A or Class B personal property greater than sixteen
23 thousand pounds declared empty vehicle weight shall be the actual
24 purchase price of such property. Such price shall not include any
25 applicable federal excise tax, including the excise tax on the first retail
26 sale of a heavy truck, trailer, or tractor for which the seller is liable,
27 transportation or shipping costs, or preparation and delivery costs. The

1 taxable value of every item of Class A or Class B personal property less
2 than or equal to sixteen thousand pounds declared empty vehicle weight
3 shall be seventy-five percent of the manufacturer's suggested retail price.

4 (I.5) (A) THE TAXABLE VALUE OF EVERY ITEM OF CLASS A OR
5 CLASS B PERSONAL PROPERTY GREATER THAN SIXTEEN THOUSAND
6 POUNDS DECLARED EMPTY VEHICLE WEIGHT THAT MEETS THE DEFINITION
7 OF CATEGORY 4, CATEGORY 4 A, CATEGORY 4 B, CATEGORY 4 C,
8 CATEGORY 7, CATEGORY 7 A, AND CATEGORY 9 TRUCKS AS DEFINED IN
9 SECTION 39-22-516.8, C.R.S., IS SEVENTY-FIVE PERCENT OF THE ACTUAL
10 PURCHASE PRICE OF SUCH PROPERTY.

11 (B) THIS SUBPARAGRAPH (I.5) IS REPEALED, EFFECTIVE DECEMBER
12 31, 2026.

13 **SECTION 7. Appropriation.** (1) In addition to any other
14 appropriation, there is hereby appropriated, out of any moneys in the
15 general fund, not otherwise appropriated, to the department of education,
16 for the fiscal year beginning July 1, 2014, the sum of \$7,000, or so much
17 thereof as may be necessary, to be allocated to the state share of districts'
18 total program funding for the implementation of this act.

19 (2) In addition to any other appropriation, there is hereby
20 appropriated, out of any moneys in the Colorado state titling and
21 registration account of the highway users tax fund created in section
22 42-1-211 (2), Colorado Revised Statutes, not otherwise appropriated, to
23 the department of revenue, for the fiscal year beginning July 1, 2014, the
24 sum of \$412, or so much thereof as may be necessary, to be allocated for
25 the purchase of computer center services for the implementation of this
26 act.

27 (3) In addition to any other appropriation, there is hereby

1 appropriated to the governor - lieutenant governor - state planning and
2 budgeting, for the fiscal year beginning July 1, 2014, the sum of \$412, or
3 so much thereof as may be necessary, for allocation to the office of
4 information technology, for the provision of computer center services for
5 the department of revenue related to the implementation of this act. Said
6 sum is from reappropriated funds received from the department of
7 revenue out of the appropriation made in subsection (2) of this section.

8 **SECTION 8. Effective date.** This act takes effect upon passage;
9 except that section 4 of this act amending section 39-22-516.7 (1) (a) (I)
10 (A), Colorado Revised Statutes, takes effect December 31, 2019.

11 **SECTION 9. Safety clause.** The general assembly hereby finds,
12 determines, and declares that this act is necessary for the immediate
13 preservation of the public peace, health, and safety.