

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

REENGROSSED

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

LLS NO. 13-0800.01 Esther van Mourik x4215

HOUSE BILL 13-1247

HOUSE SPONSORSHIP

Duran and Singer,

SENATE SPONSORSHIP

Johnston and Ulibarri,

House Committees

Transportation & Energy
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE INNOVATIVE MOTOR VEHICLE INCOME TAX CREDIT.**

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 a taxpayer to claim the credit for a plug-in electric motor vehicle that is equipped with a gasoline-powered internal combustion engine;
- ! Clarifies the way the credit is calculated for the purchase or lease of a plug-in electric motor vehicle and compressed natural gas motor vehicle in order to simplify it for

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 12, 2013

HOUSE
Amended 2nd Reading
April 11, 2013

administrative purposes; and
! Extends the credit for an additional 6 years.

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 that:

4 (a) A diverse range of Colorado stakeholders, both public and
5 private, recognize the important health and market benefits of innovative
6 motor vehicles as recognized in the "Multi-State Natural Gas Vehicles
7 Memorandum of Understanding" (November 9, 2011) and "The Colorado
8 Electric Vehicle and Infrastructure Readiness Plan" (December 2012);

9 (b) Tax credits for taxpayers purchasing innovative motor vehicles
10 are an important incentive to accelerate the penetration of innovative
11 motor vehicles into the Colorado market. However, the existing tax
12 statute needs to be updated to reflect current technologies, simplify the
13 administration of the tax credits by the department of revenue, and make
14 it easier for Colorado taxpayers to understand the credits for which they
15 may be eligible.

16 (c) Current statute sets appropriate levels of tax credits for each
17 vehicle type for tax year 2013, and the new methodology for calculating
18 tax credits is designed to simplify the administration of the tax credits and
19 facilitate the understanding of the tax credits by the general public, while
20 reproducing similar levels of credit for each vehicle type as existing
21 statute;

22 (d) Tax credits should be extended beyond the current expiration
23 date of December 31, 2015, in order to facilitate the penetration of
24 innovative motor vehicles into the marketplace.

25 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-516.7 as

1 follows:

2 **39-22-516.7. Tax credit for innovative motor vehicles -**
3 **definitions - repeal.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT
4 OTHERWISE REQUIRES:

5 (a) (I) (A) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST
6 PAID BY THE PURCHASER FOR A USED MOTOR VEHICLE, CONVERSION, OR
7 IDLING REDUCTION TECHNOLOGIES MINUS ANY CREDITS, GRANTS, OR
8 REBATES, INCLUDING FEDERAL CREDITS, GRANTS, OR REBATES FOR WHICH
9 THE PURCHASER IS ELIGIBLE, BUT EXCLUDING THE CREDIT SPECIFIED IN
10 THIS SECTION.

11 (B) "ACTUAL COST INCURRED" MEANS THE MANUFACTURER'S
12 SUGGESTED RETAIL PRICE FOR A NEW MOTOR VEHICLE THAT A PERSON
13 PURCHASES MINUS ANY CREDITS, GRANTS, OR REBATES, INCLUDING
14 FEDERAL CREDITS, GRANTS, OR REBATES FOR WHICH THE PERSON IS
15 ELIGIBLE, BUT EXCLUDING THE CREDIT SPECIFIED IN THIS SECTION.

16 (II) FOR PURPOSES OF A LEASE, THE "ACTUAL COST INCURRED"
17 MEANS THE TOTAL OF PAYMENTS CONTRACTED IN THE LEASE FOR THE
18 MOTOR VEHICLE MINUS:

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

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

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

22 (D) ANY TITLING AND REGISTRATION FEES INCLUDED IN THE TOTAL
23 OF PAYMENTS;

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

25 (F) ANY ADMINISTRATIVE FEE OR ANY OTHER FEE THAT DOES NOT
26 REFLECT THE VALUE OF THE MOTOR VEHICLE INCLUDED IN THE TOTAL OF
27 PAYMENTS; AND

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

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

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

10 (d) "CATEGORY 1" MEANS AN ELECTRIC MOTOR VEHICLE AND A
11 PLUG-IN HYBRID ELECTRIC MOTOR VEHICLE.

12 (e) "CATEGORY 1 A" MEANS A CONVERSION OF A MOTOR VEHICLE
13 TO AN ELECTRIC MOTOR VEHICLE OR A PLUG-IN HYBRID ELECTRIC MOTOR
14 VEHICLE.

15 (f) "CATEGORY 2" MEANS LIGHT DUTY PASSENGER MOTOR VEHICLE
16 DIESEL-ELECTRIC HYBRIDS WITH A MINIMUM FUEL ECONOMY OF SEVENTY
17 MILES PER GALLON.

18 (g) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER MOTOR
19 VEHICLE, LIGHT DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC
20 HYBRID CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE
21 ORIGINAL MOTOR VEHICLE BY FORTY PERCENT OR MORE.

22 (h) "CATEGORY 4" MEANS ORIGINAL EQUIPMENT MANUFACTURER
23 LIGHT DUTY PASSENGER MOTOR VEHICLES, LIGHT DUTY TRUCKS, AND
24 MEDIUM DUTY TRUCKS THAT ARE EQUIPPED TO OPERATE ON COMPRESSED
25 NATURAL GAS OR ON LIQUEFIED PETROLEUM GAS. FOR PURPOSES OF THIS
26 PARAGRAPH (h), "OPERATE ON COMPRESSED NATURAL GAS OR ON
27 LIQUEFIED PETROLEUM GAS" MEANS A MOTOR VEHICLE THAT OPERATES

1 EXCLUSIVELY ON COMPRESSED NATURAL OR ON LIQUEFIED PETROLEUM
2 GAS OR A BI-FUEL MOTOR VEHICLE WITH A MULTI-FUEL ENGINE CAPABLE
3 OF RUNNING ON EITHER COMPRESSED NATURAL GAS OR TRADITIONAL
4 FUEL, OR EITHER LIQUEFIED PETROLEUM GAS OR TRADITIONAL FUEL.

5 (i) "CATEGORY 4A" MEANS LIGHT DUTY PASSENGER MOTOR
6 VEHICLE, LIGHT DUTY TRUCK, AND MEDIUM DUTY TRUCK COMPRESSED
7 NATURAL GAS OR ON LIQUEFIED PETROLEUM GAS CONVERSIONS CERTIFIED
8 BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY. FOR
9 PURPOSES OF THIS PARAGRAPH (i), "COMPRESSED NATURAL GAS OR
10 LIQUEFIED PETROLEUM GAS CONVERSIONS" MEANS A CONVERSION TO A
11 MOTOR VEHICLE THAT OPERATES EXCLUSIVELY ON COMPRESSED NATURAL
12 GAS OR ON LIQUEFIED PETROLEUM GAS OR A BI-FUEL MOTOR VEHICLE WITH
13 A MULTI-FUEL ENGINE CAPABLE OF RUNNING ON EITHER COMPRESSED
14 NATURAL GAS OR TRADITIONAL FUEL, OR EITHER LIQUEFIED PETROLEUM
15 GAS OR TRADITIONAL FUEL.

16
17 (j) "CATEGORY 5" MEANS THE INSTALLATION OF ANY IDLING
18 REDUCTION TECHNOLOGIES ON OR IN A MOTOR VEHICLE.

19 (k) "ELECTRIC MOTOR VEHICLE" OR "PLUG-IN HYBRID ELECTRIC
20 MOTOR VEHICLE" MEANS A MOTOR VEHICLE THAT:

21 (I) HAS A GROSS VEHICLE WEIGHT RATING THAT DOES NOT EXCEED
22 EIGHT THOUSAND FIVE HUNDRED POUNDS;

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

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

27 (A) HAS A BATTERY CAPACITY OF NOT LESS THAN FOUR KILOWATT

1 HOURS; AND

2 (B) IS CAPABLE OF BEING RECHARGED FROM AN EXTERNAL SOURCE
3 OF ELECTRICITY.

4 (l) "GROSS VEHICLE WEIGHT RATING" OR "GVWR" SHALL HAVE
5 THE SAME MEANING AS SET FORTH IN SECTION 42-2-402 (6), C.R.S.

6 (m) "HYBRID MOTOR VEHICLE" MEANS A MOTOR VEHICLE WITH A
7 HYBRID PROPULSION SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND
8 AN ALTERNATIVE FUEL OR TRADITIONAL FUEL.

9 (n) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING
10 REDUCTION DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE
11 DEFINED IN SECTION 4053 OF THE INTERNAL REVENUE CODE, AS AMENDED,
12 EXEMPT FROM FEDERAL EXCISE TAX PURSUANT TO SAID SECTION 4053.

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

19 (p) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND
20 FOURTEEN THOUSAND POUNDS GVWR.

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

24 (r) "MOTOR VEHICLE" MEANS A SELF-PROPELLED VEHICLE WITH
25 FOUR WHEELS, INCLUDING A TRUCK AND A HYBRID MOTOR VEHICLE, THAT
26 IS:

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

1 (II) REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR
2 OPERATION UPON THE HIGHWAYS OF THE STATE.

3 (s) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR
4 FUEL COMMONLY USED ON THE HIGHWAYS OF THE STATE IN THE YEAR
5 2008.

6 (2) (a) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR
7 AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1, 2022, THERE SHALL
8 BE ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
9 ARTICLE, NOT TO EXCEED SIX THOUSAND DOLLARS, FOR THE PURCHASE,
10 LEASE, OR CONVERSION OF A MOTOR VEHICLE DEFINED AS CATEGORY 1,
11 CATEGORY 2, CATEGORY 3, CATEGORY 4, OR CATEGORY 4 A.

12 (b) (I) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR
13 AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1, 2014, THERE SHALL
14 BE ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
15 ARTICLE, NOT TO EXCEED SEVEN THOUSAND FIVE HUNDRED DOLLARS, FOR
16 THE CONVERSION OF A MOTOR VEHICLE DEFINED AS CATEGORY 1 A.

17 (II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE DECEMBER 31,
18 2018.

19 (c) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
20 JANUARY 1, 2014, BUT PRIOR TO JANUARY 1, 2022, THERE SHALL BE
21 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
22 ARTICLE, NOT TO EXCEED SIX THOUSAND DOLLARS, FOR THE CONVERSION
23 OF A MOTOR VEHICLE DEFINED AS CATEGORY 1 A.

24 (d) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
25 JANUARY 1, 2013, BUT PRIOR TO JANUARY 1, 2022, THERE SHALL BE
26 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
27 ARTICLE, NOT TO EXCEED SIX THOUSAND DOLLARS, FOR CATEGORY 5.

1 (3) IF A MOTOR VEHICLE IS LEASED, THE LESSEE, NOT THE LESSOR,
2 IS ALLOWED TO CLAIM THE CREDIT ALLOWED PURSUANT TO THIS SECTION.

3 (4) THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS
4 SECTION IS CALCULATED AS FOLLOWS:

5 (a) **Category 1.** (I) WITH RESPECT TO THE TAX YEARS
6 COMMENCING ON OR AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1,
7 2019, THE ACTUAL COST INCURRED BY THE TAXPAYER DURING THE TAX
8 YEAR FOR PURCHASING OR LEASING A CATEGORY 1 MOTOR VEHICLE
9 MULTIPLIED BY THE BATTERY CAPACITY OF THE MOTOR VEHICLE AND
10 DIVIDED BY ONE HUNDRED;

11 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
12 JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2020, SEVENTY-FIVE
13 PERCENT OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (I) OF THIS
14 PARAGRAPH (a);

15 (III) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
16 JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2021, FIFTY PERCENT OF THE
17 CALCULATION SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (a);

18 (IV) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
19 JANUARY 1, 2021, BUT PRIOR TO JANUARY 1, 2022, TWENTY-FIVE PERCENT
20 OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (I) OF THIS
21 PARAGRAPH (a).

22 (b) **Category 1 A.** (I) WITH RESPECT TO THE TAX YEARS
23 COMMENCING ON OR AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1,
24 2019, SEVENTY-FIVE PERCENT OF THE ACTUAL COST INCURRED BY THE
25 TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A MOTOR
26 VEHICLE DEFINED AS CATEGORY 1 A;

27 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER

1 JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2020, SEVENTY-FIVE
2 PERCENT OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (I) OF THIS
3 PARAGRAPH (b);

4 (III) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
5 JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2021, FIFTY PERCENT OF THE
6 CALCULATION SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b);

7 (IV) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
8 JANUARY 1, 2021, BUT PRIOR TO JANUARY 1, 2022, TWENTY-FIVE PERCENT
9 OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (I) OF THIS
10 PARAGRAPH (b).

11 (c) **Category 2.** (I) WITH RESPECT TO THE TAX YEARS
12 COMMENCING ON OR AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1,
13 2014, TWENTY-FIVE PERCENT OF THE DIFFERENCE BETWEEN THE ACTUAL
14 COST INCURRED BY SUCH TAXPAYER DURING THE TAX YEAR IN
15 PURCHASING OR LEASING A CATEGORY 2 MOTOR VEHICLE AND THE COST
16 OF THE SAME MOTOR VEHICLE THAT USES A TRADITIONAL FUEL OR, IF THE
17 SAME VEHICLE IS NOT AVAILABLE, THEN THE COST OF THE MOST SIMILAR
18 VEHICLE, TAKING INTO ACCOUNT THE MODEL, MAKE, ENGINE SIZE, AND
19 OPTIONS, THAT USES A TRADITIONAL FUEL;

20 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
21 JANUARY 1, 2014, BUT PRIOR TO JANUARY 1, 2019, FIFTEEN PERCENT OF
22 THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY SUCH
23 TAXPAYER DURING THE TAX YEAR IN PURCHASING OR LEASING A
24 CATEGORY 2 MOTOR VEHICLE AND THE COST OF THE SAME MOTOR VEHICLE
25 THAT USES A TRADITIONAL FUEL OR, IF THE SAME VEHICLE IS NOT
26 AVAILABLE, THEN THE COST OF THE MOST SIMILAR VEHICLE, TAKING INTO
27 ACCOUNT THE MODEL, MAKE, ENGINE SIZE, AND OPTIONS, THAT USES A

1 TRADITIONAL FUEL;

2 (III) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
3 JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2020, SEVENTY-FIVE
4 PERCENT OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (II) OF THIS
5 PARAGRAPH (c);

6 (IV) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
7 JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2021, FIFTY PERCENT OF THE
8 CALCULATION SPECIFIED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (c);

9 (V) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
10 JANUARY 1, 2021, BUT PRIOR TO JANUARY 1, 2022, TWENTY-FIVE PERCENT
11 OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (II) OF THIS
12 PARAGRAPH (c).

13 (d) **Category 3.** (I) WITH RESPECT TO THE TAX YEARS
14 COMMENCING ON OR AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1,
15 2014, THIRTY-FIVE PERCENT OF THE ACTUAL COST INCURRED BY A
16 TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A MOTOR
17 VEHICLE DEFINED AS CATEGORY 3;

18 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
19 JANUARY 1, 2014, BUT PRIOR TO JANUARY 1, 2019, TWENTY-FIVE PERCENT
20 OF THE ACTUAL COST INCURRED BY A TAXPAYER DURING THE TAX YEAR
21 FOR THE CONVERSION OF A MOTOR VEHICLE DEFINED AS CATEGORY 3;

22 (III) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
23 JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2020, SEVENTY-FIVE
24 PERCENT OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (II) OF THIS
25 PARAGRAPH (d);

26 (IV) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
27 JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2021, FIFTY PERCENT OF THE

1 CALCULATION SPECIFIED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (d);
2 (V) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
3 JANUARY 1, 2021, BUT PRIOR TO JANUARY 1, 2022, TWENTY-FIVE PERCENT
4 OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (II) OF THIS
5 PARAGRAPH (d).

6 (e) **Category 4.** (I) WITH RESPECT TO THE TAX YEARS
7 COMMENCING ON OR AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1,
8 2014, TEN AND ONE-HALF PERCENT OF THE ACTUAL COST INCURRED BY A
9 TAXPAYER DURING THE TAX YEAR IN PURCHASING OR LEASING A
10 CATEGORY 4 MOTOR VEHICLE;

11 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
12 JANUARY 1, 2014, BUT PRIOR TO JANUARY 1, 2017, TWELVE AND
13 ONE-QUARTER PERCENT OF THE ACTUAL COST INCURRED BY A TAXPAYER
14 DURING THE TAX YEAR IN PURCHASING OR LEASING A CATEGORY 4 MOTOR
15 VEHICLE;

16 (III) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
17 JANUARY 1, 2017, BUT PRIOR TO JANUARY 1, 2019, TEN AND ONE-HALF
18 PERCENT OF THE ACTUAL COST INCURRED BY A TAXPAYER DURING THE
19 TAX YEAR IN PURCHASING OR LEASING A CATEGORY 4 MOTOR VEHICLE;

20 (IV) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
21 JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2020, SEVENTY-FIVE
22 PERCENT OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (III) OF THIS
23 PARAGRAPH (e);

24 (V) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
25 JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2021, FIFTY PERCENT OF THE
26 CALCULATION SPECIFIED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH (e);

27 (VI) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER

1 JANUARY 1, 2021, BUT PRIOR TO JANUARY 1, 2022, TWENTY-FIVE PERCENT
2 OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (III) OF THIS
3 PARAGRAPH (e).

4 (f) **Category 4 A.** (I) WITH RESPECT TO THE TAX YEARS
5 COMMENCING ON OR AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1,
6 2014, THIRTY-FIVE PERCENT OF THE ACTUAL COST INCURRED BY A
7 TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A MOTOR
8 VEHICLE DEFINED AS CATEGORY 4 A;

9 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
10 JANUARY 1, 2014, BUT PRIOR TO JANUARY 1, 2019, TWENTY-FIVE PERCENT
11 OF THE ACTUAL COST INCURRED BY A TAXPAYER DURING THE TAX YEAR
12 FOR THE CONVERSION OF A MOTOR VEHICLE DEFINED AS CATEGORY 4 A;

13 (III) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
14 JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2020, SEVENTY-FIVE
15 PERCENT OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (II) OF THIS
16 PARAGRAPH (f);

17 (IV) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
18 JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2021, FIFTY PERCENT OF THE
19 CALCULATION SPECIFIED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (f);

20 (V) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
21 JANUARY 1, 2021, BUT PRIOR TO JANUARY 1, 2022, TWENTY-FIVE PERCENT
22 OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (II) OF THIS
23 PARAGRAPH (f).

24 (g) **Category 5.** (I) WITH RESPECT TO THE TAX YEARS
25 COMMENCING ON OR AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1,
26 2019, TWENTY-FIVE PERCENT OF THE ACTUAL COST INCURRED BY A
27 TAXPAYER DURING THE TAX YEAR FOR CATEGORY 5;

1 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
2 JANUARY 1, 2019, BUT PRIOR TO JANUARY 1, 2020, SEVENTY-FIVE
3 PERCENT OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (I) OF THIS
4 PARAGRAPH (g);

5 (III) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
6 JANUARY 1, 2020, BUT PRIOR TO JANUARY 1, 2021, FIFTY PERCENT OF THE
7 CALCULATION SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (g);

8 (IV) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
9 JANUARY 1, 2021, BUT PRIOR TO JANUARY 1, 2022, TWENTY-FIVE PERCENT
10 OF THE CALCULATION SPECIFIED IN SUBPARAGRAPH (I) OF THIS
11 PARAGRAPH (g).

12 (5) WITH RESPECT TO ANY MODEL YEAR 2004 AND NEWER HYBRID
13 MOTOR VEHICLE, NOTWITHSTANDING THE LIMITATION SET FORTH IN
14 SUBSECTION (6) OF THIS SECTION, A TAXPAYER THAT CONVERTS SUCH A
15 MOTOR VEHICLE TO A CATEGORY 1 A MOTOR VEHICLE SHALL BE ELIGIBLE
16 FOR THE CATEGORY 1 A CREDIT.

17 (6) EXCEPT AS PROVIDED IN SUBSECTION (5) OF THIS SECTION, AND
18 NOTWITHSTANDING THE ALLOWANCE OF CREDITS FOR ANY TAX YEARS
19 COMMENCING ON OR AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1,
20 2014, UNDER THIS SECTION AND SECTION 39-22-516.5, NO MORE THAN ONE
21 TAX CREDIT SHALL BE GRANTED PURSUANT TO THIS SECTION, SECTION
22 39-22-516, AND SECTION 39-22-516.5, FOR ANY INDIVIDUAL MOTOR
23 VEHICLE.

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

1 (8) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2026.

2 **SECTION 3.** In Colorado Revised Statutes, 39-22-516, **repeal as**
3 **it will become effective January 1, 2014,** (2.6) (a) (VI) as follows:

4 **39-22-516. Tax credit for purchase of vehicles using**
5 **alternative fuels - repeal.** (2.6) (a) As used in this subsection (2.6),
6 unless the context otherwise requires:

7 (VI) ~~"Category 4" means light duty passenger vehicle, light duty~~
8 ~~truck, and medium duty truck compressed natural gas or liquefied~~
9 ~~petroleum gas conversions certified by the United States environmental~~
10 ~~protection agency and original equipment manufacturer compressed~~
11 ~~natural gas vehicles.~~

12 **SECTION 4.** In Colorado Revised Statutes, 39-22-516, **amend**
13 (2.5) (h) and (2.6) (e) as follows:

14 **39-22-516. Tax credit for purchase of vehicles using alternative**
15 **fuels - repeal.** (2.5) (h) EXCEPT AS PROVIDED IN SUB-SUBPARAGRAPH (B)
16 OF SUBPARAGRAPH (V) OF PARAGRAPH (c) OF SUBSECTION (2.6) OF THIS
17 SECTION, no more than one tax credit shall be granted pursuant to
18 ~~paragraph (d)~~ SUBPARAGRAPH (II) OF PARAGRAPH (b) of this subsection
19 (2.5), PARAGRAPH (b) OF SUBSECTION (2.6) OF THIS SECTION, AND
20 SECTIONS 39-22-516.5 AND 39-22-516.7, for any individual motor vehicle.

21 (2.6) (e) Except as provided in sub-subparagraph (B) of
22 subparagraph (V) of paragraph (c) of this subsection (2.6), no more than
23 one tax credit shall be granted pursuant to ~~paragraph (d)~~ PARAGRAPH (b)
24 of this subsection (2.6), SUBPARAGRAPH (II) OF PARAGRAPH (b) OF
25 SUBSECTION (2.5) OF THIS SECTION, AND SECTIONS 39-22-516.5 AND
26 39-22-516.7, for any individual motor vehicle.

27 **SECTION 5.** In Colorado Revised Statutes, 39-22-516.5, **repeal**

1 as it will become effective January 1, 2014, (1) (f) as follows:

2 **39-22-516.5. Tax credit for innovative motor vehicles - repeal.**

3 (1) As used in this section, unless the context otherwise requires:

4 (f) ~~"Category 4" means light duty passenger vehicle, light duty~~
5 ~~truck, and medium duty truck compressed natural gas or liquefied~~
6 ~~petroleum gas conversions certified by the United States environmental~~
7 ~~protection agency and original equipment manufacturer compressed~~
8 ~~natural gas vehicles.~~

9 **SECTION 6.** In Colorado Revised Statutes, 39-22-516.5, **amend**

10 (2) (a) introductory portion, (2) (b), (4), (5), and (7) as follows:

11 **39-22-516.5. Tax credit for innovative motor vehicles - repeal.**

12 (2) (a) With respect to the tax years commencing on OR AFTER January
13 1, 2012, but prior to ~~January 1, 2016~~ JANUARY 1, 2014, there shall be
14 allowed to any person a credit against the tax imposed by this article, not
15 to exceed six thousand dollars, for each motor vehicle purchased or leased
16 by such person that:

17 (b) With respect to the tax years commencing on OR AFTER
18 January 1, 2012, but prior to ~~January 1, 2016~~ JANUARY 1, 2014, there
19 shall be allowed to any person a credit against the tax imposed by this
20 article, not to exceed seven thousand five hundred dollars, for each motor
21 vehicle purchased or leased by such person that is converted to a plug-in
22 hybrid electric vehicle.

23 (4) For the purposes of subsection (3) of this section, the
24 percentage of the difference in actual cost incurred or the percentage of
25 the actual cost incurred that may be claimed as a credit pursuant to
26 subsection (2) of this section shall be as follows:

1	Category:	Income tax	Income tax	Income tax	Income tax
2		years	years	years	years
3		commencing	commencing	commencing	commencing
4		on or after	on or after	on or after	on or after
5		January 1,	January 1,	January 1,	January 1,
6		2012, but	2013, but	2014, but	2015, but
7		prior to	prior to	prior to	prior to
8		January 1,	January 1,	January 1,	January 1,
9		2013:	2014:	2015:	2016:
10	Category 1	75%	75%	75%	75%
11	Category 2	45%	25%	15%	15%
12	Category 3	55%	35%	25%	25%
13	Category 4	55%	35%	25%	25%
14	Category 5	25%	25%	25%	25%
15	Category 6	10%	10%	0%	0%

16 (5) Except as provided in subparagraph (II) of paragraph (e) of
17 subsection (3) of this section, AND NOTWITHSTANDING THE ALLOWANCE
18 OF CREDITS FOR ANY TAX YEARS COMMENCING ON OR AFTER JANUARY 1,
19 2013, BUT PRIOR TO JANUARY 1, 2014, UNDER THIS SECTION AND SECTION
20 39-22-516.7, no more than one tax credit shall be granted pursuant to this
21 section, SECTION 39-22-516, AND SECTION 39-22-516.7, for any individual
22 motor vehicle.

23 (7) This section is repealed, effective ~~December 31, 2020~~
24 DECEMBER 31, 2018.

25 **SECTION 7. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.