

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

**REVISED**

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 10-0793.01 Jery Payne

**HOUSE BILL 10-1285**

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**A BILL FOR AN ACT**

101 **CONCERNING AN INCREASE IN FINES TO FUND TAX INCENTIVES FOR**  
102 **COMMERCIAL VEHICLES, AND MAKING AN APPROPRIATION IN**  
103 **CONNECTION THEREWITH.**

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**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 raises the fines on overweight motor vehicles and uses the additional fine money to fund a sales tax refund and an income credit for commercial vehicle investment in Colorado. A semitrailer is added to the sales tax refund. The effective dates of the sales tax refund and the

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.*

SENATE  
Am ended 2nd Reading  
May 10, 2010

HOUSE  
3rd Reading Unam ended  
April 27, 2010

HOUSE  
Am ended 2nd Reading  
April 26, 2010

income tax credit are moved up to begin in 2010 instead of 2011 and the phase-in of the income tax is accelerated to begin immediately. The bill clarifies that a motor vehicle registered in Colorado, subsequently registered in another state, then reregistered in Colorado is not subject to taxes and fees due during the time it was registered in another state.

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

2           **SECTION 1.** Part 2 of article 1 of title 42, Colorado Revised  
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
4 read:

5           **42-1-224. Commercial vehicle enterprise tax fund - creation.**

6 (1) THE COMMERCIAL VEHICLE ENTERPRISE TAX FUND IS HEREBY  
7 CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEYS  
8 COLLECTED AND TRANSMITTED TO THE FUND PURSUANT TO SECTION  
9 42-4-1701 (4) (a) (II). THE GENERAL ASSEMBLY SHALL ANNUALLY  
10 APPROPRIATE THE MONEYS IN THE FUND TO COVER THE COST OF THE SALES  
11 TAX REFUND CREATED BY SECTION 39-26-113.5, C.R.S., AND THE ACTUAL  
12 COST OF ADMINISTERING SECTIONS 39-26-113.5 AND 39-30-104 (1) (b),  
13 C.R.S. AFTER RECEIVING THE STATEMENT PURSUANT TO SECTION  
14 39-30-104 (1) (b) (V), THE STATE TREASURER SHALL CREDIT THE TOTAL  
15 COST OF THE AMOUNT OF THE TAX CREDITS STATED THEREIN TO THE  
16 GENERAL FUND. ANY MONEYS REMAINING IN THE COMMERCIAL VEHICLE  
17 ENTERPRISE TAX FUND AT THE END OF THE FISCAL YEAR SHALL NOT  
18 REVERT TO THE GENERAL FUND.

19           (2) (a) ON JULY 1, 2011, AND EACH JULY 1 THEREAFTER, THE  
20 DEPARTMENT SHALL ALLOCATE ONE-THIRD OF THE FUND BALANCE, NOT  
21 INCLUDING THE AMOUNT APPROPRIATED TO COVER THE ACTUAL COST OF  
22 ADMINISTERING SECTIONS 39-26-113.5 AND 39-30-104 (1) (b), C.R.S., TO  
23 MAKE THE SALES TAX REFUNDS GRANTED IN SECTION 39-26-113.5, C.R.S.

1 (b) ON JULY 1, 2011, AND EACH JULY 1 THEREAFTER, THE  
2 DEPARTMENT SHALL ALLOCATE TWO-THIRDS OF THE FUND BALANCE, NOT  
3 INCLUDING THE AMOUNT APPROPRIATED TO COVER THE ACTUAL COST OF  
4 ADMINISTERING SECTIONS 39-26-113.5 AND 39-30-104 (1) (b), C.R.S., TO  
5 OFFSET THE INCOME TAX CREDIT GRANTED IN SECTION 39-30-104 (1) (b),  
6 C.R.S. BY JANUARY 1, 2012, THE DEPARTMENT SHALL NOTIFY THE  
7 COLORADO ECONOMIC DEVELOPMENT COMMISSION CREATED IN SECTION  
8 24-46-102, C.R.S., OF THE AMOUNT ALLOCATED FOR SUCH PURPOSES.

9 SECTION 2. 42-3-104, Colorado Revised Statutes, is amended  
10 BY THE ADDITION OF A NEW SUBSECTION to read:

11 **42-3-104. Exemptions - specific ownership tax - registration**  
12 **- domicile and residency - rules - definitions.** (11) A CLASS A  
13 COMMERCIAL VEHICLE THAT WAS REGISTERED IN COLORADO UNDER THE  
14 INTERNATIONAL REGISTRATION PLAN, SUBSEQUENTLY REGISTERED IN  
15 ANOTHER STATE, AND THEN REREGISTERED IN COLORADO IS NOT SUBJECT  
16 TO THE SPECIFIC OWNERSHIP TAX OR REGISTRATION FEES DURING THE  
17 PERIOD OF TIME THAT THE MOTOR VEHICLE WAS REGISTERED IN ANOTHER  
18 STATE; EXCEPT THAT THE OWNER OF A MOTOR VEHICLE WITH AN  
19 APPORTIONED REGISTRATION MAY BE LIABLE FOR THE PORTION OF THE  
20 MILES TRAVELED IN COLORADO.

21 SECTION 3. 42-4-1701 (4) (a) (II), Colorado Revised Statutes,  
22 is amended to read:

23 **42-4-1701. Traffic offenses and infractions classified -**  
24 **penalties - penalty and surcharge schedule - repeal.**

25 (4) (a) (II) (A) ~~Any~~ A person convicted of violating section 42-4-507 or  
26 42-4-508 shall be fined pursuant to this ~~subparagraph~~ (H)  
27 SUB-SUBPARAGRAPH (A), whether the defendant acknowledges the

1 defendant's guilt pursuant to the procedure set forth in paragraph (a) of  
 2 subsection (5) of this section or is found guilty by a court of competent  
 3 jurisdiction. ~~Any violation of~~ A PERSON WHO VIOLATES section 42-4-507  
 4 or 42-4-508 shall be punished by a fine and surcharge as follows:

5	<b>Excess Weight - Pounds</b>	<b>Penalty</b>	<b>Surcharge</b>
6	<del>1 - 3,000</del>	\$15.00	\$14.00
7	<del>3,001 - 4,250</del>	25.00	24.00
8	<del>4,251 - 4,500</del>	50.00	46.00
9	<del>4,501 - 4,750</del>	55.00	52.00
10	<del>4,751 - 5,000</del>	60.00	58.00
11	<del>5,001 - 5,250</del>	65.00	62.00
12	<del>5,251 - 5,500</del>	75.00	70.00
13	<del>5,501 - 5,750</del>	85.00	80.00
14	<del>5,751 - 6,000</del>	95.00	92.00
15	<del>6,001 - 6,250</del>	105.00	98.00
16	<del>6,251 - 6,500</del>	125.00	120.00
17	<del>6,501 - 6,750</del>	145.00	138.00
18	<del>6,751 - 7,000</del>	165.00	158.00
19	<del>7,001 - 7,250</del>	185.00	176.00
20	<del>7,251 - 7,500</del>	215.00	208.00
21	<del>7,501 - 7,750</del>	245.00	234.00
22	<del>7,751 - 8,000</del>	275.00	262.00
23	<del>8,001 - 8,250</del>	305.00	292.00
24	<del>8,251 - 8,500</del>	345.00	330.00
25	<del>8,501 - 8,750</del>	385.00	370.00
26	<del>8,751 - 9,000</del>	425.00	408.00
27	<del>9,001 - 9,250</del>	465.00	448.00



1 CITATION THAT RESULTS IN THE ASSESSMENT OF THE PENALTIES IN  
 2 SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (II) MAY RETAIN AND  
 3 DISTRIBUTE THE FOLLOWING AMOUNT OF THE PENALTY ACCORDING TO THE  
 4 LAW OF THE JURISDICTION THAT ASSESSES THE PENALTY, BUT THE  
 5 REMAINDER OF THE PENALTY SHALL BE TRANSMITTED TO THE STATE  
 6 TREASURER, WHO SHALL CREDIT THE MONEYS TO THE COMMERCIAL  
 7 VEHICLE ENTERPRISE TAX FUND CREATED IN SECTION 42-1-224:

8 <b>EXCESS WEIGHT - POUNDS</b>	9 <b>PENALTY RETAINED</b>
10 1 - 3,000	\$ 15.00
11 3,001 - 4,250	25.00
12 4,251 - 4,500	50.00
13 4,501 - 4,750	55.00
14 4,751 - 5,000	60.00
15 5,001 - 5,250	65.00
16 5,251 - 5,500	75.00
17 5,501 - 5,750	85.00
18 5,751 - 6,000	95.00
19 6,001 - 6,250	105.00
20 6,251 - 6,500	125.00
21 6,501 - 6,750	145.00
22 6,751 - 7,000	165.00
23 7,001 - 7,250	185.00
24 7,251 - 7,500	215.00
25 7,501 - 7,750	245.00
26 7,751 - 8,000	275.00
27 8,001 - 8,250	305.00
8,251 - 8,500	345.00

1	8,501 - 8,750	385.00
2	8,751 - 9,000	425.00
3	9,001 - 9,250	465.00
4	9,251 - 9,500	515.00
5	9,501 - 9,750	565.00
6	9,751 - 10,000	615.00
7	10,001 - 10,250	665.00
8	OVER 10,250	\$ 30.00

9 FOR EACH 250 POUNDS  
10 ADDITIONAL OVERWEIGHT,  
11 PLUS \$ 665.00

12 **SECTION 4.** 39-26-113.5 (1) (a) and (1) (c), Colorado Revised  
13 Statutes, are amended, and the said 39-26-113.5 is further amended BY  
14 THE ADDITION OF A NEW SUBSECTION to read:

15 **39-26-113.5. Refund of state sales taxes for vehicles used in**  
16 **interstate commerce - fund.** (1) (a) EXCEPT AS PROVIDED IN  
17 SUBSECTION (3) OF THIS SECTION, for the calendar year commencing on  
18 January 1, 2011, and for each calendar year thereafter, a taxpayer may  
19 claim a refund of a percentage of all state sales and use taxes paid by the  
20 taxpayer pursuant to this part 1 and part 2 of this article on the sale,  
21 storage, or use of a model year 2010 or newer truck tractor OR  
22 SEMITRAILER with a gross vehicle weight rating of ~~twenty-six~~ FIFTY-FOUR  
23 thousand pounds or greater ~~designated as Class A personal property as~~  
24 ~~specified in section 42-3-106 (2) (a), C.R.S.~~ THAT IS PURCHASED ON OR  
25 AFTER JULY 1, 2011.

26 (c) The total refund shall be claimed as follows:

27 (I) For the calendar year in which the truck tractor OR

1 SEMITRAILER was purchased, stored, or used, ~~ten~~ THIRTY-THREE percent  
2 of the total amount of the refund IF THE MODEL YEAR OF THE TRUCK  
3 TRACTOR OR SEMITRAILER WAS SOLD AS NEW DURING SUCH CALENDAR  
4 YEAR;

5 (II) For the first calendar year after the calendar year in which the  
6 truck tractor OR SEMITRAILER was purchased, stored, or used, ~~fifteen~~  
7 THIRTY-THREE percent of the total amount of the refund IF THE MODEL  
8 YEAR OF THE TRUCK TRACTOR OR SEMITRAILER WAS SOLD AS NEW DURING  
9 SUCH CALENDAR YEAR; AND

10 (III) For the second calendar year after the calendar year in which  
11 the truck tractor OR SEMITRAILER was purchased, stored, or used,  
12 ~~twenty-five~~ THIRTY-THREE percent of the total amount of the refund IF  
13 THE MODEL YEAR OF THE TRUCK TRACTOR OR SEMITRAILER WAS SOLD AS  
14 NEW DURING SUCH CALENDAR YEAR.

15 (IV) For the ~~third~~ calendar year after the calendar year in which  
16 the truck tractor was purchased, stored, or used, ~~twenty-five~~ percent of the  
17 total amount of the refund; and

18 (V) For the ~~fourth~~ calendar year after the calendar year in which  
19 the truck tractor was purchased, stored, or used, ~~twenty-five~~ percent of the  
20 total amount of the refund.

21 (3) (a) THE DEPARTMENT OF REVENUE SHALL DENY A CLAIMANT  
22 THE SALES TAX REFUND OR A PORTION OF SUCH REFUND GRANTED IN THIS  
23 SECTION IF THE CLAIM RESULTS IN MORE THAN THE AMOUNT ALLOCATED  
24 FOR THE CREDIT PURSUANT TO SECTION 42-1-224, C.R.S.

25 (b) TO IMPLEMENT THIS SECTION, THE DEPARTMENT OF REVENUE  
26 SHALL TRACK THE AMOUNT OF THE REFUNDS GRANTED UNDER THIS  
27 SECTION.



1           **SECTION 5.** 39-26-712 (2), Colorado Revised Statutes, is  
2 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

3           **39-26-712. Trailers and trucks.** (2) The following shall be  
4 exempt from taxation under the provisions of part 2 of this article:

5           (c) THE STORAGE OR USE OF A NEW OR USED TRAILER,  
6 SEMITRAILER, TRUCK, TRUCK TRACTOR, OR TRUCK BODY IF THE VEHICLE  
7 HAS BEEN RELOCATED WITHIN THIS STATE, WAS USED IN INTERSTATE  
8 COMMERCE, AND THE OWNER CAN PROVIDE EVIDENCE OF THE VEHICLE  
9 BEING PREVIOUSLY REGISTERED IN ANOTHER STATE FOR AT LEAST SIX  
10 MONTHS.

11           **SECTION 6.** 39-30-104 (1) (b) (I), (1) (b) (II), and (1) (b) (IV),  
12 Colorado Revised Statutes, are amended, and the said 39-30-104 (1) (b)  
13 is further amended BY THE ADDITION OF THE FOLLOWING NEW  
14 SUBPARAGRAPHS, to read:

15           **39-30-104. Credit against tax - investment in certain property**  
16 **- repeal.** (1) (b) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (IV) OF THIS  
17 PARAGRAPH (b), for income tax years commencing on or after January 1,  
18 2011, ~~but before January 1, 2016~~ AND FOR EACH INCOME TAX YEAR  
19 THEREAFTER, a commercial truck, truck tractor, tractor, or semitrailer with  
20 a gross vehicle weight rating of ~~sixteen~~ FIFTY-FOUR thousand pounds or  
21 greater that is model year 2010 or newer AND IS DESIGNATED AS CLASS A  
22 PERSONAL PROPERTY AS SPECIFIED IN SECTION 42-3-106 (2) (a), C.R.S., as  
23 well as any parts associated with the vehicle at the time of purchase, shall  
24 be deemed to be used solely and exclusively in an enterprise zone if it is  
25 licensed and registered within the state and predominantly housed and  
26 based at the taxpayer's business trucking facility within an enterprise zone  
27 for the twelve-month period following its purchase.

1 (II) The income tax credit for a qualified investment in a  
2 commercial truck, truck tractor, tractor, or semitrailer with a gross vehicle  
3 weight rating of sixteen FIFTY-FOUR thousand pounds or greater that is  
4 model year 2010 or newer AND IS DESIGNATED AS CLASS A PERSONAL  
5 PROPERTY AS SPECIFIED IN SECTION 42-3-106 (2) (a), C.R.S., as well as  
6 any parts associated with the vehicle at the time of purchase, shall be  
7 allowed as follows:

8 (A) For the income tax year commencing on January 1, 2011, an  
9 amount equal to ONE AND one-half of one percent of the total qualified  
10 investment IF THE MODEL YEAR OF THE COMMERCIAL TRUCK, TRUCK  
11 TRACTOR, TRACTOR, OR SEMITRAILER WAS SOLD AS NEW DURING SUCH  
12 INCOME TAX YEAR;

13 (B) For the income tax year commencing on January 1, 2012, an  
14 amount equal to one percent of the total qualified investment;

15 (C) For the income tax year commencing on January 1, 2013, an  
16 amount equal to one and one-half percent of the total qualified  
17 investment;

18 (D) For the income tax year commencing on January 1, 2014, an  
19 amount equal to two percent of the total qualified investment; and

20 (E) For the income tax year commencing on January 1, 2015, an  
21 amount equal to three percent of the total qualified investment.

22 (IV) This paragraph (b) is repealed, effective January 1, 2017. TO  
23 QUALIFY FOR THE TAX CREDIT GRANTED UNDER THIS PARAGRAPH (b), A  
24 CLAIMANT SHALL BE CERTIFIED BY THE COLORADO ECONOMIC  
25 DEVELOPMENT COMMISSION CREATED IN SECTION 24-46-102, C.R.S.

26 (V) THE COLORADO ECONOMIC DEVELOPMENT COMMISSION SHALL  
27 CERTIFY PEOPLE ELIGIBLE FOR THE INCOME TAX CREDIT GRANTED IN THIS

1 PARAGRAPH (b) BUT SHALL NOT CERTIFY THE INCOME TAX CREDIT  
2 GRANTED IN THIS PARAGRAPH (b) IF THE CERTIFICATION RESULTS IN MORE  
3 CREDITS BEING CLAIMED THAN ARE ALLOCATED PURSUANT TO SECTION  
4 42-1-224, C.R.S.

5 (VI) TO IMPLEMENT THIS SECTION, THE COLORADO ECONOMIC  
6 DEVELOPMENT COMMISSION SHALL TRACK THE AMOUNT OF THE CREDITS  
7 AUTHORIZED AND, BY JANUARY 30 OF EACH YEAR, TRANSMIT TO THE  
8 STATE TREASURER A STATEMENT OF THE AMOUNT OF TAX CREDITS  
9 CERTIFIED PURSUANT TO THIS PARAGRAPH (b) FOR THE PREVIOUS YEAR.

10 (VII) NO LATER THAN SEPTEMBER 1, 2012, AND NO LATER THAN  
11 SEPTEMBER 1 OF EACH YEAR THEREAFTER THROUGH SEPTEMBER 1, 2014,  
12 THE COLORADO ECONOMIC DEVELOPMENT COMMISSION SHALL PROVIDE  
13 THE DEPARTMENT OF REVENUE WITH AN ELECTRONIC REPORT OF THE  
14 TAXPAYERS RECEIVING A CREDIT ALLOWED IN THIS PARAGRAPH (b) FOR  
15 THE PRECEDING CALENDAR YEAR OR ANY FISCAL YEAR ENDING IN THE  
16 PRECEDING CALENDAR YEAR AND ANY CREDITS DISALLOWED PURSUANT  
17 TO SUBPARAGRAPH (V) OF THIS PARAGRAPH (b). THE REPORT SHALL  
18 CONTAIN THE FOLLOWING INFORMATION:

19 (A) THE TAXPAYER'S NAME;

20 (B) THE TAXPAYER'S COLORADO ACCOUNT NUMBER AND FEDERAL  
21 EMPLOYER IDENTIFICATION NUMBER;

22 (C) THE AMOUNT OF THE CREDIT ALLOWED IN THIS SECTION; AND

23 (D) ANY ASSOCIATED TAXPAYER'S NAMES, COLORADO ACCOUNT  
24 NUMBERS, AND FEDERAL EMPLOYER IDENTIFICATION NUMBERS OR SOCIAL  
25 SECURITY NUMBERS, IF THE CREDIT ALLOWED IN THIS SECTION IS  
26 ALLOCATED FROM A PASS-THROUGH ENTITY.

27 **SECTION 7. Appropriation.** In addition to any other

1 appropriation, there is hereby appropriated, out of any moneys in the  
2 commercial vehicle enterprise tax fund created in section 42-1-224,  
3 Colorado Revised Statutes, not otherwise appropriated, to the department  
4 of revenue, for allocation to the information technology division, for the  
5 fiscal year beginning July 1, 2010, the sum of eighty-six thousand six  
6 hundred fifty-eight dollars (\$86,658) cash funds and 0.8 FTE, or so much  
7 thereof as \_\_\_ may be necessary, for the implementation of this act.

8 **SECTION 8.** Section 7 of chapter 417, Session Laws of Colorado  
9 2009, is amended to read:

10 Section 7. **Effective date.** This act shall take effect upon passage.  
11 ~~except that sections 1 and 2 of this act shall not take effect unless a~~  
12 ~~sustainable source of revenue has been identified for the implementation~~  
13 ~~of sections 1 and 2 of this act and the revisor of statutes has received~~  
14 ~~written notice from the executive director of the department of revenue~~  
15 ~~to that effect.~~

16 **SECTION 9. Specified effective date - applicability.** This act  
17 shall take effect July 1, 2010, and shall apply to offenses committed on  
18 or after July 1, 2010, and vehicles purchased on or after July 1, 2011.

19 **SECTION 10. Safety clause.** The general assembly hereby finds,  
20 determines, and declares that this act is necessary for the immediate  
21 preservation of the public peace, health, and safety.