

**First Regular Session  
Seventy-second General Assembly  
STATE OF COLORADO**

**REVISED**

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

LLS NO. 19-0659.01 Esther van Mourik x4215

**HOUSE BILL 19-1159**

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**A BILL FOR AN ACT**

101 **CONCERNING MODIFICATIONS TO THE INCOME TAX CREDITS FOR**  
102 **INNOVATIVE MOTOR VEHICLES.**

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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://leg.colorado.gov>.)*

The bill modifies the amounts of and extends the number of available years of the existing income tax credits for the purchase or lease of an electric motor vehicle, a plug-in hybrid electric motor vehicle, and an original equipment manufacturer electric truck and plug-in hybrid electric truck.

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

SENATE  
Amended 2nd Reading  
May 2, 2019

HOUSE  
3rd Reading Unamended  
April 24, 2019

HOUSE  
Amended 2nd Reading  
April 23, 2019

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

2 **SECTION 1. Legislative declaration.** The general assembly  
3 hereby finds and declares that the purpose of this act is to extend the  
4 income tax credits for the purchase or lease of alternative fuel motor  
5 vehicles, to clarify the availability of the credits for motor vehicles  
6 powered by hydrogen fuel, to address the availability of the credit for  
7 transportation network companies that provide category 1 vehicles for  
8 short-term rentals to their drivers, and to adjust the amounts of the  
9 available credits.

10 **SECTION 2.** In Colorado Revised Statutes, 39-22-516.7, **amend**  
11 **(1)(k)(III), (2)(a),      (4)(a)(IV), and (10); and add (4)(a)(V) and (9.5) as**  
12 **follows:**

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

16 (k) "Electric motor vehicle" or "plug-in hybrid electric motor  
17 vehicle" means a motor vehicle that:

18 (III) Is propelled to a significant extent by: an electric motor that  
19 draws electricity from a battery that:

20 (A) ~~Has a~~ AN ELECTRIC MOTOR THAT DRAWS ELECTRICITY FROM  
21 A battery THAT HAS A capacity of not less than four kilowatt hours and IS  
22 CAPABLE OF BEING RECHARGED FROM AN EXTERNAL SOURCE OF  
23 ELECTRICITY; OR

24 (B) ~~Is capable of being recharged from an external source of~~  
25 electricity POWER DERIVED FROM ONE OR MORE CELLS WHICH CONVERT  
26 CHEMICAL ENERGY DIRECTLY INTO ELECTRICITY BY COMBINING OXYGEN

1 WITH HYDROGEN FUEL WHICH IS STORED ON BOARD THE VEHICLE IN ANY  
2 FORM AND MAY OR MAY NOT REQUIRE REFORMATION PRIOR TO USE.

3 (2) (a) With respect to the tax years commencing on or after  
4 January 1, 2013, but prior to ~~January 1, 2022~~ JANUARY 1, 2026, there is  
5 allowed to any person a credit against the tax imposed by this ~~article~~  
6 ARTICLE 22, not to exceed the amount specified in subsection (4) of this  
7 section, for the purchase or lease of a motor vehicle defined as category  
8 1.

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

11 (a) Category 1. (IV) With respect to the tax years commencing  
12 on or after January 1, 2021, but prior to ~~January 1, 2022~~ JANUARY 1,  
13 2023, two thousand five hundred dollars for a purchase or one thousand  
14 five hundred dollars for a lease.

15 (V) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER  
16 JANUARY 1, 2023, BUT PRIOR TO JANUARY 1, 2026, TWO THOUSAND  
17 DOLLARS FOR A PURCHASE OR ONE THOUSAND FIVE HUNDRED DOLLARS  
18 FOR A LEASE.

19 (9.5) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR  
20 AFTER JANUARY 1, 2019, A TRANSPORTATION NETWORK COMPANY, AS  
21 DEFINED IN SECTION 40-10.1-602 (3), OR A THIRD-PARTY VEHICLE  
22 SUPPLIER THAT CONTRACTS WITH A TRANSPORTATION NETWORK COMPANY  
23 TO PROVIDE CATEGORY 1 MOTOR VEHICLES FOR SHORT-TERM RENTAL TO  
24 TRANSPORTATION NETWORK COMPANY DRIVERS, AS DEFINED IN SECTION  
25 40-10.1-602(4), THAT ENTERS INTO LONG-TERM LEASES WITH A DURATION  
26 OF NOT LESS THAN TWO YEARS FOR CATEGORY 1 MOTOR VEHICLES SHALL  
27 BE TREATED AS HAVING PURCHASED EACH CATEGORY 1 MOTOR VEHICLE

1 FOR PURPOSES OF THE CREDIT CALCULATION SPECIFIED IN SUBSECTION  
2 (4)(a) OF THIS SECTION IF THE VEHICLES ARE OFFERED TO  
3 TRANSPORTATION NETWORK COMPANY DRIVERS, AS DEFINED IN SECTION  
4 40-10.1-602 (4), FOR SHORT-TERM RENTAL PERIODS OF NOT MORE THAN  
5 SIXTY DAYS.

6 (10) This section is repealed, effective ~~December 31, 2026~~  
7 DECEMBER 31, 2030.

8 **SECTION 3.** In Colorado Revised Statutes, 39-22-516.8, **amend**  
9 (1)(h), (1)(i), (1)(r)(III), (8.3), (8.5), and (18) as follows:

10 **39-22-516.8. Tax credit for innovative trucks - definitions -**  
11 **repeal.** (1) As used in this section, unless the context otherwise requires:

12 (h) "Category 4 B" means original equipment manufacturer trucks  
13 that are equipped to operate on liquified natural gas. ~~or on hydrogen.~~ For  
14 purposes of this paragraph (h) SUBSECTION (1)(h), "operate on liquified  
15 natural gas" ~~or on hydrogen~~ means a truck that operates exclusively on  
16 liquified natural gas, ~~or on hydrogen,~~ or a bi-fuel truck with a multi-fuel  
17 engine capable of running on either liquified natural gas or traditional  
18 fuel, ~~or on either hydrogen or traditional fuel,~~ or a dual-fuel truck with a  
19 multi-fuel engine capable of running on both liquified natural gas and  
20 traditional fuel. ~~or on both hydrogen and traditional fuel.~~

21 (i) "Category 4 C" means liquefied natural gas ~~or hydrogen~~  
22 conversions certified by the United States environmental protection  
23 agency. For purposes of this paragraph (i) SUBSECTION (1)(i), "liquefied  
24 natural gas ~~or hydrogen~~ conversions" means a conversion to a truck that  
25 operates exclusively on liquefied natural gas, ~~or on hydrogen,~~ or a bi-fuel  
26 truck with a multi-fuel engine capable of running on either liquefied  
27 natural gas or traditional fuel, ~~or on either hydrogen or traditional fuel,~~ or

1 a dual-fuel truck with a multi-fuel engine capable of running on both  
2 liquified natural gas and traditional fuel. or on both hydrogen and  
3 traditional fuel.

4 (r) "Electric truck" or "plug-in hybrid electric truck" means a truck  
5 that:

6 (III) Is propelled to a significant extent by: an electric motor that  
7 draws electricity from a battery that:

8 (A) Has a AN ELECTRIC MOTOR THAT DRAWS ELECTRICITY FROM  
9 A battery THAT HAS A capacity of not less than four kilowatt hours and IS  
10 CAPABLE OF BEING RECHARGED FROM AN EXTERNAL SOURCE OF  
11 ELECTRICITY; OR

12 (B) Is capable of being recharged from an external source of  
13 electricity POWER DERIVED FROM ONE OR MORE CELLS WHICH CONVERT  
14 CHEMICAL ENERGY DIRECTLY INTO ELECTRICITY BY COMBINING OXYGEN  
15 WITH HYDROGEN FUEL WHICH IS STORED ON BOARD THE VEHICLE IN ANY  
16 FORM AND MAY OR MAY NOT REQUIRE REFORMATION PRIOR TO USE.

17 (8.3) Category 7 purchase. (a) Except as provided in subsection  
18 (14) of this section, with respect to the income tax years commencing on  
19 or after January 1, 2017, but before ~~January 1, 2022~~ JANUARY 1, 2026,  
20 there is allowed to any person a credit against the tax imposed by this  
21 ~~article~~ ARTICLE 22 in an amount set forth in ~~paragraph (b) of this~~  
22 ~~subsection (8.3)~~ SUBSECTION (8.3)(b) OF THIS SECTION for each purchase  
23 of a category 7 truck during the tax year.

1 (b)

	<u>Income tax year commencing:</u>			
	<u>1/1/2017</u>	<u>1/1/2020</u>	<u>1/1/2021</u>	<u>1/1/2023</u>
	<u>but before</u>	<u>but before</u>	<u>but before</u>	<u>but before</u>
	<u>1/1/2020</u>	<u>1/1/2021</u>	<u>1/1/2023</u>	<u>1/1/2026</u>
<u>Light duty passenger</u>				
<u>motor vehicle over</u>				
<u>8,500 GVWR</u>	<u>\$5,000</u>	<u>\$4,000</u>	<u>\$2,500</u>	<u>\$2,000</u>
<u>Light duty electric</u>				
<u>truck</u>	<u>\$7,000</u>	<u>\$5,500</u>	<u>\$3,500</u>	<u>\$2,800</u>
<u>Medium duty electric</u>				
<u>truck</u>	<u>\$10,000</u>	<u>\$8,000</u>	<u>\$5,000</u>	<u>\$4,000</u>
<u>Heavy duty truck</u>	<u>\$20,000</u>	<u>\$16,000</u>	<u>\$10,000</u>	<u>\$8,000</u>

15 (8.5) **Category 7 lease.** (a) Except as provided in subsection (14)  
 16 of this section, with respect to the income tax years commencing on or  
 17 after January 1, 2017, but before ~~January 1, 2022~~ JANUARY 1, 2026, there  
 18 is allowed to any person a credit against the tax imposed by this article  
 19 ARTICLE 22 in an amount set forth in ~~paragraph (b) of this subsection (8.5)~~  
 20 SUBSECTION (8.5)(b) OF THIS SECTION for each lease of a category 7 truck  
 21 during the tax year.

1 (b)

	<u>Income tax year commencing:</u>		
	<u>1/1/2017</u>	<u>1/1/2020</u>	<u>1/1/2021</u>
	<u>but before</u>	<u>but before</u>	<u><del>1/1/2022</del></u>
	<u>1/1/2020</u>	<u>1/1/2021</u>	<u>1/1/2026</u>
<u>Light duty passenger</u>			
<u>motor vehicle over</u>			
<u>8,500 GVWR</u>	<u>\$2,500</u>	<u>\$2,000</u>	<u>\$1,500</u>
<u>Light duty electric</u>			
<u>truck</u>	<u>\$3,500</u>	<u>\$2,750</u>	<u>\$1,750</u>
<u>Medium duty electric</u>			
<u>truck</u>	<u>\$5,000</u>	<u>\$4,000</u>	<u>\$2,500</u>
<u>Heavy duty truck</u>	<u>\$10,000</u>	<u>\$8,000</u>	<u>\$5,000</u>

15 (18) This section is repealed, effective ~~December 31, 2026~~  
 16 DECEMBER 31, 2030.

17 **SECTION 4. Act subject to petition - effective date.** This act  
 18 takes effect at 12:01 a.m. on the day following the expiration of the  
 19 ninety-day period after final adjournment of the general assembly (August  
 20 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a  
 21 referendum petition is filed pursuant to section 1 (3) of article V of the  
 22 state constitution against this act or an item, section, or part of this act  
 23 within such period, then the act, item, section, or part will not take effect  
 24 unless approved by the people at the general election to be held in  
 25 November 2020 and, in such case, will take effect on the date of the  
 26 official declaration of the vote thereon by the governor.