

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT
10.10.19

BILL 7

LLS NO. 20-0230.01 Pierce Lively x2059

INTERIM COMMITTEE BILL

Tax Expenditure Evaluation Interim Study Committee

BILL TOPIC: "Nonprofit Transit Authority Agency Fuel Tax"

A BILL FOR AN ACT

101 **CONCERNING THE REPEAL OF THE FUEL TAX EXEMPTION FOR**
102 **NONPROFIT TRANSIT AGENCIES.**

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/>.)

Tax Expenditure Evaluation Interim Study Committee. Under current law, the fuel tax exemption for nonprofit transit agencies exempts nonprofit transit agencies from the fuel excise tax on liquefied petroleum gas and natural gas used in vehicles for transit purposes. The bill repeals the tax expenditure.

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

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

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

4 (a) The fuel tax exemption for nonprofit transit agencies exempts
5 nonprofit transit agencies from the fuel excise tax on liquefied petroleum
6 gas and natural gas used in vehicles for transit purposes.

7 (b) The nonprofit transit agency fuel tax exemption does not have
8 stated performance measures to determine whether it is meeting its
9 purpose.

10 (c) The nonprofit transit agency fuel tax exemption does not have
11 an expiration date and has remained relatively unchanged, even though
12 it has not been claimed since its enactment in 1994.

13 (d) The nonprofit transit agency fuel tax exemption not only has
14 not been claimed since its enactment, but only vehicles using liquefied
15 petroleum gas and natural gas are eligible for the exemption.

16 (e) There are no transit vehicles in the United States that use
17 liquefied petroleum gas.

18 (f) Only 15% of transit vehicles in the United States use natural
19 gas or natural gas blends and, of those 15%, only the portion that solely
20 use natural gas qualify for the exemption.

21 (2) Therefore, it is the intent of the general assembly to simplify
22 the administration of taxes for the state of Colorado by repealing tax
23 expenditures that have no evaluative component, no expiration date, and
24 that are unclaimed.

25 **SECTION 2.** In Colorado Revised Statutes, 39-27-102.5, **repeal**
26 (7) as follows:

1 **39-27-102.5. Exemptions on tax imposed - ex-tax purchases.**

2 ~~(7) Motor vehicles that are owned or operated by a nonprofit transit~~
3 ~~agency that receives public funds and that are used exclusively in~~
4 ~~performing the agency's nonprofit functions and activities shall be exempt~~
5 ~~from the special fuel tax imposed by section 39-27-102 (1)(a) upon~~
6 ~~liquefied petroleum gas and natural gas. A person who purchases special~~
7 ~~fuel for the purposes set forth in this subsection (7) may, in accordance~~
8 ~~with section 39-27-103, apply to the department of revenue for a refund~~
9 ~~of the excise tax paid thereon.~~

10 **SECTION 3. Act subject to petition - effective date.**

11 This act takes effect at 12:01 a.m. on the day following the expiration of the
12 ninety-day period after final adjournment of the general assembly (August
13 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
14 referendum petition is filed pursuant to section 1 (3) of article V of the
15 state constitution against this act or an item, section, or part of this act
16 within such period, then the act, item, section, or part will not take effect
17 unless approved by the people at the general election to be held in
18 November 2020 and, in such case, will take effect on the date of the
19 official declaration of the vote thereon by the governor.