

CHAPTER 301

---

**TAXATION**

---

**HOUSE BILL 00-1067**

BY REPRESENTATIVES Paschall, Gotlieb, Gordon, Tupa, Bacon, Chavez, Coleman, Gagliardi, Grossman, Keller, Lee, Mace, May, McKay, Miller, Plant, Saliman, Scott, Stengel, Tapia, Taylor, Veiga, S. Williams, Windels, Young, and Zimmerman; also SENATORS Evans, Powers, Reeves, Sullivant, and Tebedo.

**AN ACT**

CONCERNING THE PROMOTION OF ALTERNATIVE USE FUEL FOR TRANSPORTATION PURPOSES.

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

**SECTION 1.** 39-22-516 (2.5) (a) (III), (2.5) (b), (2.5) (d) (I), (2.5) (i), (2.7) (b), (2.7) (c), and (4), Colorado Revised Statutes, are amended to read:

**39-22-516. Tax credit for purchase of vehicles using alternative fuels - repeal.** (2.5) (a) As used in this subsection (2.5), unless the context otherwise requires:

(III) "Motor vehicle" means any self-propelled vehicle required to be licensed or subject to licensing for operation upon the highways of this state, INCLUDING A VEHICLE THAT USES A HYBRID PROPULSION SYSTEM.

(b) (I) With respect to tax years commencing on or after July 1, 1998, but prior to ~~July 1, 2006~~ JULY 1, 2000, there shall be allowed to any person a credit against the tax imposed by this article for each motor vehicle owned by such person that:

- (A) Is titled and registered in the state of Colorado;
- (B) Is used in connection with a business; and
- (C) Uses or is converted to use an alternative fuel or has its power source replaced with a power source that uses an alternative fuel.

(II) WITH RESPECT TO TAX YEARS COMMENCING ON OR AFTER JULY 1, 2000, BUT PRIOR TO JULY 1, 2011, THERE SHALL BE ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR EACH MOTOR VEHICLE OWNED BY SUCH

---

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

PERSON THAT:

(A) IS TITLED AND REGISTERED IN THE STATE OF COLORADO; AND

(B) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL OR HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE THAT USES AN ALTERNATIVE FUEL.

(d) (I) For the purposes of paragraph (c) of this subsection (2.5), except as otherwise provided in subparagraph (II) of this paragraph (d), the percentage of the difference in actual cost incurred or the percentage of the actual cost incurred that may be claimed as a credit pursuant to paragraph (b) of this subsection (2.5) shall be as follows:

<b>Certification level:</b>	<b>Tax years commencing on or after July 1, 1998, but prior to <del>July 1, 2001</del> JULY 1, 2006:</b>	<b>Tax years commencing on or after <del>July 1, 2001</del> JULY 1, 2006, but prior to <del>July 1, 2004</del> JULY 1, 2009:</b>	<b>Tax years commencing on or after <del>July 1, 2004</del> JULY 1, 2009, but prior to <del>July 1, 2006</del> JULY 1, 2011:</b>
Low-emitting vehicle	50%	25%	0%
Ultra-low-emitting vehicle or inherently low-emitting vehicle	75%	50%	25%
Zero-emitting vehicle	85%	75%	50%

(i) For income tax years commencing on and after January 1, 1999, but prior to ~~July 1, 2006~~ JULY 1, 2011, a motor vehicle, conversion, or power source certified to the low-emitting vehicle emissions standard that is purchased by a person covered by the clean fuel fleet program in order to satisfy the minimum requirements of such program shall be eligible for a credit pursuant to this subsection (2.5).

(2.7) (b) With respect to tax years commencing on or after January 1, 1998, but prior to ~~January 1, 2006~~ JANUARY 1, 2011, there shall be allowed to any person a credit against the tax imposed by this article in an amount equal to a percentage, as determined pursuant to paragraph (c) of this subsection (2.7), of the actual cost incurred by the person during the tax year in constructing, reconstructing, or acquiring an alternative fuel refueling facility that is directly attributable to the storage, compression, charging, or dispensing of alternative fuels to motor vehicles.

(c) A person may claim the following percentage of costs described in paragraph (b) of this subsection (2.7) as a credit pursuant to this subsection (2.7):

(I) Fifty percent of the costs incurred on or after January 1, 1998, but prior to ~~January 1, 2001~~ JANUARY 1, 2006;

(II) Thirty-five percent of the costs incurred on or after ~~January 1, 2001~~ JANUARY 1, 2006, but prior to ~~January 1, 2004~~ JANUARY 1, 2009;

(III) Twenty percent of the costs incurred on or after ~~January 1, 2004~~ JANUARY 1, 2009, but prior to ~~July 1, 2006~~ JULY 1, 2011.

(4) This section is repealed, effective ~~July 1, 2011~~ JULY 1, 2016.

**SECTION 2.** 39-33-101 (4), Colorado Revised Statutes, is amended to read:

**39-33-101. Definitions.** As used in this article, unless the context otherwise requires:

(4) "Motor vehicle" means any self-propelled vehicle required to be licensed or subject to licensing for operation upon the highways of this state, INCLUDING A VEHICLE THAT USES A HYBRID PROPULSION SYSTEM.

**SECTION 3.** The introductory portion to 39-33-102 (1), Colorado Revised Statutes, is amended to read:

**39-33-102. Rebate for motor vehicles using alternative fuels.** (1) On and after July 1, 1998, but prior to ~~July 1, 2007~~ JULY 1, 2012, the executive director shall be authorized to grant a rebate to a qualified entity for each motor vehicle owned by such entity that:

**SECTION 4.** 39-33-103 (2) (a) (I) and (3), Colorado Revised Statutes, are amended to read:

**39-33-103. Amount of rebate.** (2) (a) (I) For the purposes of subsection (1) of this section, except as otherwise provided in subparagraph (II) of this paragraph (a), the percentage of the difference in actual cost incurred or the percentage of the actual cost incurred by a qualified entity for which a rebate may be granted pursuant to this article shall be as follows:

<b>Certification level:</b>	<b>For costs incurred on or after July 1, 1998, but prior to <del>July 1, 2001</del> JULY 1, 2006:</b>	<b>For costs incurred on or after <del>July 1, 2001</del> JULY 1, 2006, but prior to <del>July 1, 2004</del> JULY 1, 2009:</b>	<b>For costs incurred on or after <del>July 1, 2004</del> JULY 1, 2009, but prior to <del>July 1, 2006</del> JULY 1, 2011:</b>
Low-emitting vehicle	50%	25%	0%
Ultra-low-emitting vehicle or inherently low-emitting vehicle	75%	50%	25%
Zero-emitting vehicle	85%	75%	50%

(3) Any application for a rebate shall be filed within twelve months after the end of the month in which the cost is incurred by the qualified entity. The executive director shall grant rebates in the order in which applications are received as moneys are made available. The executive director shall grant rebates to qualified entities only if the cost is incurred on or after July 1, 1998, but prior to ~~July 1, 2006~~ JULY 1, 2011. No rebate shall be granted more than twenty-four months after the date upon which the cost is incurred. Rebates shall be granted only from available moneys in the alternative fuels rebate fund created in section 39-33-105, and in no event shall the state have any obligation to provide rebates from any source other than the fund. For the purposes of this section, "cost is incurred" means, at the option of a qualified entity, either the date when the entity obligates itself to make a purchase or the date on which the entity pays for such purchase.

**SECTION 5.** 39-33-105 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**39-33-105. Alternative fuels rebate fund.** (1) The following, together with any other moneys appropriated by the general assembly, shall be credited to the alternative fuels rebate fund which is hereby created in the state treasury:

(c) ANY MONEY TRANSFERRED BY THE GENERAL ASSEMBLY FROM THE UNENCUMBERED OR UNEXPENDED MONEYS IN THE SPECIAL ACCOUNT WITHIN THE HIGHWAY USERS TAX FUND KNOWN AS THE AIR ACCOUNT. IN PREPARING ITS ANNUAL BUDGET REQUEST, THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT SHALL EVALUATE THE PROJECTED AMOUNT OF MONEYS AVAILABLE IN THE AIR ACCOUNT AND THE AMOUNT OF PROJECTED EXPENDITURES FROM THE ACCOUNT AND DETERMINE WHAT, IF ANY, PORTION OF THE ACCOUNT WOULD BE AVAILABLE FOR TRANSFER TO THE ALTERNATIVE FUELS REBATE FUND PURSUANT TO THIS PARAGRAPH (c). ANY MONEYS THAT THE DEPARTMENT DETERMINES ARE AVAILABLE FOR TRANSFER SHALL BE INCLUDED IN THE ANNUAL BUDGET REQUEST OF THE DEPARTMENT.

**SECTION 6. No Appropriation.** The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state moneys is necessary to carry out the provisions of this act.

**SECTION 7. Effective date.** This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: May 31, 2000