

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Energy & Environment.

HB24-1352 be amended as follows:

1 Amend printed bill, page 24, strike line 16 and substitute "(2)(a), (2)(g),
2 (2)(j), (2)(p), (2)(q), (3)(a), (3)(b), (3)(c), (3)(f), (4), (5)(a) introductory
3 portion, (5)(a)(I), (5)(a)(II), (5)(a)(III), (5)(a)(V), (5)(b), (5)(d)(I)
4 introductory portion, and (5)(d)(II); **repeal**(2)(b), (2)(f), and (5)(d)(I)(A);
5 and **add** (2)(c.5), (2)(i.5), (2)(k.3), and (2)(k.7) as follows:".

6 Page 24, strike lines 22 through 27 and substitute:

7 ~~"(A) (I) Is certified pursuant to the federal environmental~~
8 ~~protection agency's energy star program~~ EITHER A STANDARD AIR-SOURCE
9 HEAT PUMP OR A COLD-CLIMATE HEAT PUMP;
10 ~~(B) Has a variable speed compressor, and~~
11 ~~(II) CONFORMS TO ALL APPLICABLE MUNICIPAL, STATE, AND~~
12 ~~FEDERAL CODES, STANDARDS, REGULATIONS, AND CERTIFICATIONS;~~
13 ~~(III) IS INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S~~
14 ~~SPECIFICATIONS;~~
15 ~~(C) (IV) Is listed in the Air-conditioning, Heating, and".~~

16 Page 25, line 3, strike "(III)" and substitute "(V)".

17 Page 25, line 7, strike "(IV)" and substitute "(VI)".

18 Page 25, after line 20 insert:

19 ~~"(b) "Applicable percentage" means a percentage annually~~
20 ~~established by the office as specified in subsection (4) of this section.~~

21 ~~(c.5) "COLD-CLIMATE HEAT PUMP" MEANS A TYPE OF AIR-SOURCE~~
22 ~~HEAT PUMP THAT MEETS THE QUALIFICATION CRITERIA OF THE FEDERAL~~
23 ~~ENVIRONMENTAL PROTECTION AGENCY'S ENERGY STAR PROGRAM'S~~
24 ~~COLD-CLIMATE HEAT PUMP DESIGNATION OR MEETS THE HIGHEST TIER OF~~
25 ~~THE CONSORTIUM FOR ENERGY EFFICIENCY'S NORTHERN AIR-SOURCE~~
26 ~~HEAT PUMP SPECIFICATIONS, NOT INCLUDING AN ADVANCED TIER.~~

27 ~~(f) "Eligible taxpayer" means a taxpayer that meets the~~
28 ~~requirements for and is included on the list of eligible taxpayers described~~
29 ~~in subsection (5) of this section."~~

30 Page 26, after line 20 insert:

31 ~~"(i.5) "HVAC CONTRACTOR" HAS THE MEANING SET FORTH IN~~
32 ~~SECTION 39-22-554.5 (2).~~

33 ~~(j) "List" means the list of eligible taxpayers QUALIFIED~~
34 ~~CONTRACTORS created by the office as specified in subsection (5) of this~~
35 ~~section.~~

36 ~~(k.3) "QUALIFIED CONTRACTOR" MEANS AN HVAC CONTRACTOR~~

1 THAT MEETS THE REQUIREMENTS FOR AND IS INCLUDED ON THE LIST OF
2 QUALIFIED CONTRACTORS DESCRIBED IN SUBSECTION (5) OF THIS SECTION.

3 (k.7) "STANDARD AIR-SOURCE HEAT PUMP" MEANS A TYPE OF HEAT
4 PUMP THAT IS CERTIFIED PURSUANT TO THE FEDERAL ENVIRONMENTAL
5 PROTECTION AGENCY'S ENERGY STAR PROGRAM AND IS NOT A
6 COLD-CLIMATE HEAT PUMP.".

7 Page 28, after line 13 insert:

8 "(3) (a) For income tax years commencing on or after January 1,
9 2024, but before January 1, 2033, an eligible A taxpayer that installs
10 PURCHASES NEW RETAIL heat pump technology in a building in the state;
11 ~~on a campus in the state, or develops, through purchase and installation~~
12 ~~of necessary equipment, a thermal energy network~~ OR A NEW THERMAL
13 ENERGY NETWORK FOR PROPERTY in the state is allowed a credit against
14 the tax imposed under this article 22 in an amount set forth in subsection
15 (3)(c) of this section in the tax year that the RETAIL heat pump technology
16 or NEW thermal energy network is placed into service.

17 (b) In order to qualify for the tax credit allowed under this section,
18 the eligible taxpayer shall provide a discount from the amount charged for
19 the installation of heat pump technology or a thermal energy network in
20 an amount equal to the amount of the credit set forth in subsection (3)(c)
21 of this section minus the applicable percentage of the credit, and shall
22 show the discount as a separate item on the receipt or invoice; except that
23 the requirement in this subsection (3)(b) does not apply to an eligible
24 taxpayer who installs their own heat pump technology or thermal energy
25 network THE NEW RETAIL HEAT PUMP TECHNOLOGY OR NEW THERMAL
26 ENERGY NETWORK MUST BE INSTALLED BY A QUALIFIED CONTRACTOR.".

27 Page 28, line 14, strike "(3)".

28 Page 28, strike lines 19 through 21 and substitute:

29 "(I) For the installation of an air-source A STANDARD heat pump
30 system or a variable refrigerant flow heat system, SEVEN HUNDRED FIFTY
31 DOLLARS PER TON OF THERMAL ENERGY;".

32 Page 29, line 1, after "a" insert "COLD-CLIMATE HEAT PUMP, A".

33 Page 29, line 2, before "water-source" insert "A".

34 Page 29, lines 6 and 7, strike "TWO THOUSAND DOLLARS PER TON OF
35 COOLING;" and substitute "ONE THOUSAND FIVE HUNDRED DOLLARS PER
36 TON OF THERMAL ENERGY;".

1 Page 30, strike lines 7 through 10 and substitute:

2 ~~"(4) An eligible taxpayer may retain an applicable percentage of~~
3 ~~the amount of the tax credit allowed under subsection (3)(c) of this~~
4 ~~section to support the industry-wide adoption and deployment of heat~~
5 ~~pump technologies in the state. The office shall annually determine the~~
6 ~~applicable percentage, which must be the same for each eligible taxpayer,~~
7 ~~pursuant to guidelines established by the office. The office shall maintain~~
8 ~~the current applicable percentage on its website and shall provide the~~
9 ~~applicable percentage in writing to the department no later than December~~
10 ~~31, 2023, and each December 31 thereafter through December 31, 2031.~~

11 A PROJECT IN A MULTIFAMILY PROPERTY THAT CONTAINS TWENTY
12 THOUSAND SQUARE FEET OR MORE OF CONDITIONED FLOOR SPACE AND FOR
13 WHICH A CREDIT IS CLAIMED MUST EXCLUSIVELY USE CONTRACTORS THAT
14 PARTICIPATE IN APPRENTICESHIP PROGRAMS REGISTERED WITH THE
15 UNITED STATES DEPARTMENT OF LABOR'S EMPLOYMENT AND TRAINING
16 ADMINISTRATION OR WITH A STATE APPRENTICESHIP COUNCIL RECOGNIZED
17 BY THE UNITED STATES DEPARTMENT OF LABOR FOR ANY NECESSARY
18 PLUMBING OR ELECTRICAL WORK. THIS SUBSECTION (4) DOES NOT APPLY
19 TO A PROJECT THAT IS LIMITED TO IN-UNIT WORK IN A MULTIFAMILY
20 PROPERTY, AS UNDERTAKEN BY THE OWNER OR TENANT OF THE
21 MULTIFAMILY PROPERTY OR UNIT.

22 (5) (a) The office shall create, and update at least annually, a list
23 containing the names and contact information of ~~eligible taxpayers~~
24 ~~QUALIFIED CONTRACTORS. To become an eligible taxpayer~~ A QUALIFIED
25 CONTRACTOR, and be included on the list described in this subsection (5),
26 a ~~taxpayer~~ CONTRACTOR shall demonstrate to the office that the ~~taxpayer~~
27 and any of its employees who will be installing heat pump technology or
28 thermal energy networks CONTRACTOR:

29 (I) ~~Are~~ Is licensed as required by the state;

30 (II) ~~Are~~ Is knowledgeable of AND AGREES TO FOLLOW the relevant
31 system requirements set forth in subsections (2)(a), (2)(c.5), (2)(g), (2)(h),
32 (2)(i), (2)(k.7), (2)(m), (2)(n), (2)(p), and (2)(q) of this section;

33 (III) ~~Will install heat pump technology and thermal energy~~
34 ~~networks in accordance with the national electric code and manufacturer's~~
35 ~~specifications;~~

36 (V) Will meet any additional standards established by the office
37 in its guidelines. ~~including, if applicable, the 2021 international energy~~
38 ~~conservation code.~~

39 (b) The office shall, in a sufficiently timely manner to allow the
40 department to process returns claiming the income tax credit allowed in
41 this section, annually provide a secure electronic copy of the list
42 described in subsection (5)(a) of this section to the department that
43 includes the social security number or Colorado account number and

1 federal employer identification number of each ~~eligible taxpayer~~
2 ~~QUALIFIED CONTRACTOR~~.

3 (d) (I) Every ~~eligible taxpayer~~ ~~QUALIFIED CONTRACTOR~~ shall keep
4 and maintain for a period of four years such books and records as may be
5 necessary to determine that:

6 (A) ~~It is an eligible taxpayer;~~

7 (II) (A) The office shall annually examine a sample of the ~~eligible~~
8 ~~taxpayers~~ ~~QUALIFIED CONTRACTORS~~ on the list described in this
9 subsection (5) to substantiate that the ~~eligible taxpayers~~ ~~QUALIFIED~~
10 ~~CONTRACTORS~~ are meeting the office's standards. ~~and properly claiming~~
11 ~~the credit allowed by this section.~~ Every ~~eligible taxpayer~~ ~~QUALIFIED~~
12 ~~CONTRACTOR~~ shall produce the books and records described in subsection
13 (5)(d)(I) of this section for examination at any time by the office.

14 (B) If the office determines that ~~an eligible taxpayer~~ ~~A~~ ~~QUALIFIED~~
15 ~~CONTRACTOR~~ is no longer meeting the standards, the office shall notify
16 the ~~taxpayer~~ ~~QUALIFIED CONTRACTOR~~ in writing that ~~they are~~ ~~THE~~
17 ~~QUALIFIED CONTRACTOR~~ ~~IS~~ no longer eligible, remove the ineligible
18 ~~taxpayer~~ ~~QUALIFIED CONTRACTOR~~ from the list, update the list on its
19 website, and promptly notify the department in writing of its decision.

20 (C) ~~If the office determines that a taxpayer was not eligible for all~~
21 ~~or part of the credit claimed, the office shall notify the department in~~
22 ~~writing of its decision. The department shall issue the taxpayer a notice~~
23 ~~of deficiency for the unpaid tax owed, together with applicable penalties~~
24 ~~and interest, and proceed to collect the deficiency in the same manner as~~
25 ~~other tax deficiencies.~~".

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