

CHAPTER 91

TAXATION

HOUSE BILL 20-1181

BY REPRESENTATIVE(S) Arndt and McKean, Valdez D., Benavidez, Snyder, Will;
also SENATOR(S) Moreno and Woodward, Zenzinger, Crowder, Hill.

AN ACT**CONCERNING THE REPEAL OF THE FUEL TAX EXEMPTION FOR NONPROFIT TRANSIT AGENCIES.**

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

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

(a) 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.

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

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

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

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

(f) Only 15% of transit vehicles in the United States use natural gas or natural gas blends.

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

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

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

~~**39-27-102.5. Exemptions on tax imposed - ex-tax purchases.** (7) Motor vehicles that are owned or operated by a nonprofit transit agency that receives public funds and that are used exclusively in performing the agency's nonprofit functions and activities shall be exempt from the special fuel tax imposed by section 39-27-102 (1)(a) upon liquefied petroleum gas and natural gas. A person who purchases special fuel for the purposes set forth in this subsection (7) may, in accordance with section 39-27-103, apply to the department of revenue for a refund of the excise tax paid thereon.~~

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

Approved: March 27, 2020