

## CHAPTER 357

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**TAXATION**

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**HOUSE BILL 14-1326**

BY REPRESENTATIVE(S) Primavera and Scott, Exum, Fischer, Hamner, Hullinghorst, Lee, Melton, Mitsch Bush, Pettersen, Rosenthal, Salazar, Schafer, Tyler, Young;  
also SENATOR(S) Hodge, Aguilar, Crowder, Heath, Johnston, Jones, Kefalas, Kerr, Newell, Nicholson, Rivera, Schwartz, Tochtrop, Todd, Ulibarri, Zenzinger.

**AN ACT****CONCERNING TAX INCENTIVES FOR ALTERNATIVE FUEL TRUCKS, AND, IN CONNECTION THEREWITH,  
MAKING AN APPROPRIATION.**

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

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

(a) A diverse range of stakeholders within the state, both public and private, recognize the important health, environmental, and market benefits of motor vehicles powered by alternative fuels, as recognized in the state's multi-state Natural Gas Vehicles Memorandum of Understanding of 2011, the Colorado Electric Vehicle and Infrastructure Readiness Plan of 2012, and the state's Natural Gas Fueled Fleet Vehicles Memorandum of Understanding of 2013;

(b) Income tax credits are an important incentive for taxpayers looking to purchase alternative fuel vehicles and accelerate the entry of such vehicles into the Colorado market;

(c) The current income tax credit for alternative fuel vehicles does not adequately address heavy duty alternative fuel vehicles even though the benefits of their emission reductions and energy security are reported to be significant, and as such, these vehicles and their associated clean fuel refrigerated trailers should be included in the tax credit; and

(d) Given the higher up-front cost of medium and heavy duty alternative fuel vehicles compared with their traditional fuel counterparts, the specific ownership

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

tax is greater and creates a disincentive for the purchase of such vehicles. It is therefore necessary to establish a method to tax alternative fuel vehicles at a comparable rate to traditional fuel vehicles.

**SECTION 2.** In Colorado Revised Statutes, **add** 39-22-516.8 as follows:

**39-22-516.8. Tax credit for innovative trucks - definitions - repeal.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) (I) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST PAID BY THE PURCHASER FOR A NEW OR USED TRUCK OR CLEAN FUEL REFRIGERATED TRAILER, CONVERSION OF A TRUCK OR CLEAN FUEL REFRIGERATED TRAILER, IDLING REDUCTION TECHNOLOGIES, OR AERODYNAMIC TECHNOLOGIES, MINUS ANY CREDITS, GRANTS, OR REBATES, INCLUDING FEDERAL CREDITS, GRANTS, OR REBATES FOR WHICH THE PURCHASER IS ELIGIBLE, BUT EXCLUDING THE CREDIT SPECIFIED IN THIS SECTION.

(II) FOR PURPOSES OF A LEASE, "ACTUAL COST INCURRED" MEANS THE TOTAL OF PAYMENTS CONTRACTED IN THE LEASE FOR THE TRUCK MINUS:

(A) ANY SECURITY DEPOSIT INCLUDED IN THE TOTAL OF PAYMENTS;

(B) THE RENT CHARGE INCLUDED IN THE TOTAL OF PAYMENTS;

(C) ANY SALES TAX INCLUDED IN THE TOTAL OF PAYMENTS;

(D) ANY TITLING AND REGISTRATION FEES INCLUDED IN THE TOTAL OF PAYMENTS;

(E) ANY DISPOSITION FEE INCLUDED IN THE TOTAL OF PAYMENTS;

(F) ANY ADMINISTRATIVE FEE OR ANY OTHER FEE THAT DOES NOT REFLECT THE VALUE OF THE TRUCK INCLUDED IN THE TOTAL OF PAYMENTS; AND

(G) ANY CREDITS, GRANTS, OR REBATES, INCLUDING FEDERAL CREDITS, GRANTS, OR REBATES FOR WHICH THE LESSEE OR LESSOR IS ELIGIBLE, BUT EXCLUDING THE CREDIT SPECIFIED IN THIS SECTION.

(b) "AERODYNAMIC TECHNOLOGIES" MEANS A DEVICE ON THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY'S SMARTWAY VERIFIED TECHNOLOGY LIST THAT MINIMIZES DRAG AND IMPROVES AIR FLOW OVER A TRUCK AND TRAILER; EXCEPT THAT "AERODYNAMIC TECHNOLOGIES" DO NOT INCLUDE TIRES.

(c) "ALTERNATIVE FUEL" MEANS AN ALTERNATIVE FUEL AS DEFINED IN SECTION 25-7-106.8 (1) (a), C.R.S.

(d) "BATTERY CAPACITY" MEANS THE QUANTITY OF ELECTRICITY THAT A BATTERY IS CAPABLE OF STORING, EXPRESSED IN KILOWATT HOURS, AS MEASURED FROM A ONE HUNDRED PERCENT STATE OF CHARGE TO A ZERO PERCENT STATE OF CHARGE.

(e) "BUS" MEANS A MOTOR VEHICLE WITH A MINIMUM SEATING CAPACITY OF

THIRTY-THREE, INCLUDING THE DRIVER.

(f) "CATEGORY 4" MEANS ORIGINAL EQUIPMENT MANUFACTURER TRUCKS THAT ARE EQUIPPED TO OPERATE ON COMPRESSED NATURAL GAS OR ON LIQUEFIED PETROLEUM GAS. FOR PURPOSES OF THIS PARAGRAPH (f), "OPERATE ON COMPRESSED NATURAL GAS OR ON LIQUEFIED PETROLEUM GAS" MEANS A TRUCK THAT OPERATES EXCLUSIVELY ON COMPRESSED NATURAL GAS OR ON LIQUEFIED PETROLEUM GAS, OR A BI-FUEL TRUCK WITH A MULTI-FUEL ENGINE CAPABLE OF RUNNING ON EITHER COMPRESSED NATURAL GAS OR TRADITIONAL FUEL, OR ON EITHER LIQUEFIED PETROLEUM GAS OR TRADITIONAL FUEL, OR A DUAL-FUEL TRUCK WITH A MULTI-FUEL ENGINE CAPABLE OF RUNNING ON BOTH COMPRESSED NATURAL GAS AND TRADITIONAL FUEL, OR ON BOTH LIQUEFIED PETROLEUM GAS AND TRADITIONAL FUEL.

(g) "CATEGORY 4 A" MEANS COMPRESSED NATURAL GAS OR LIQUEFIED PETROLEUM GAS CONVERSIONS CERTIFIED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY. FOR PURPOSES OF THIS PARAGRAPH (g), "COMPRESSED NATURAL GAS OR LIQUEFIED PETROLEUM GAS CONVERSIONS" MEANS A CONVERSION TO A TRUCK THAT OPERATES EXCLUSIVELY ON COMPRESSED NATURAL GAS OR ON LIQUEFIED PETROLEUM GAS, OR A BI-FUEL TRUCK WITH A MULTI-FUEL ENGINE CAPABLE OF RUNNING ON EITHER COMPRESSED NATURAL GAS OR TRADITIONAL FUEL, OR ON EITHER LIQUEFIED PETROLEUM GAS OR TRADITIONAL FUEL, OR A DUAL-FUEL TRUCK WITH A MULTI-FUEL ENGINE CAPABLE OF RUNNING ON BOTH COMPRESSED NATURAL GAS AND TRADITIONAL FUEL, OR ON BOTH LIQUEFIED PETROLEUM GAS AND TRADITIONAL FUEL.

(h) "CATEGORY 4B" MEANS ORIGINAL EQUIPMENT MANUFACTURER TRUCKS THAT ARE EQUIPPED TO OPERATE ON LIQUIFIED NATURAL GAS OR ON HYDROGEN. FOR PURPOSES OF THIS PARAGRAPH (h), "OPERATE ON LIQUIFIED NATURAL GAS OR ON HYDROGEN" MEANS A TRUCK THAT OPERATES EXCLUSIVELY ON LIQUIFIED NATURAL GAS OR ON HYDROGEN, OR A BI-FUEL TRUCK WITH A MULTI-FUEL ENGINE CAPABLE OF RUNNING ON EITHER LIQUIFIED NATURAL GAS OR TRADITIONAL FUEL, OR ON EITHER HYDROGEN OR TRADITIONAL FUEL, OR A DUAL-FUEL TRUCK WITH A MULTI-FUEL ENGINE CAPABLE OF RUNNING ON BOTH LIQUIFIED NATURAL GAS AND TRADITIONAL FUEL, OR ON BOTH HYDROGEN AND TRADITIONAL FUEL.

(i) "CATEGORY 4 C" MEANS LIQUEFIED NATURAL GAS OR HYDROGEN CONVERSIONS CERTIFIED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY. FOR PURPOSES OF THIS PARAGRAPH (i), "LIQUEFIED NATURAL GAS OR HYDROGEN CONVERSIONS" MEANS A CONVERSION TO A TRUCK THAT OPERATES EXCLUSIVELY ON LIQUEFIED NATURAL GAS OR ON HYDROGEN, OR A BI-FUEL TRUCK WITH A MULTI-FUEL ENGINE CAPABLE OF RUNNING ON EITHER LIQUEFIED NATURAL GAS OR TRADITIONAL FUEL, OR ON EITHER HYDROGEN OR TRADITIONAL FUEL, OR A DUAL-FUEL TRUCK WITH A MULTI-FUEL ENGINE CAPABLE OF RUNNING ON BOTH LIQUIFIED NATURAL GAS AND TRADITIONAL FUEL, OR ON BOTH HYDROGEN AND TRADITIONAL FUEL.

(j) "CATEGORY 5" MEANS THE INSTALLATION OF ANY IDLING REDUCTION TECHNOLOGIES ON OR IN A TRUCK.

(k) "CATEGORY 6" MEANS THE INSTALLATION OF ANY AERODYNAMIC

TECHNOLOGIES ON OR IN A TRUCK.

(l) "CATEGORY 7" MEANS AN ORIGINAL EQUIPMENT MANUFACTURER ELECTRIC TRUCK AND PLUG-IN HYBRID ELECTRIC TRUCK.

(m) "CATEGORY 7 A" MEANS A CONVERSION OF A TRUCK TO AN ELECTRIC TRUCK OR A PLUG-IN HYBRID ELECTRIC TRUCK.

(n) "CATEGORY 8" MEANS A CLEAN FUEL REFRIGERATED TRAILER.

(o) "CATEGORY 8 A" MEANS A CONVERSION OF A REFRIGERATED TRAILER TO A CLEAN FUEL REFRIGERATED TRAILER.

(p) "CATEGORY 9" MEANS A HYDRAULIC HYBRID TRUCK.

(q) "CLEAN FUEL REFRIGERATED TRAILER" MEANS A TRAILER CAPABLE OF BEING PULLED BY A TRUCK WITH A GROSS VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS, WITH A POWER UNIT AND FUEL STORAGE USED FOR CLIMATE CONTROL THAT:

(I) (A) IS INSTALLED ON THE TRAILER BY THE ORIGINAL EQUIPMENT MANUFACTURER; OR

(B) IS INSTALLED ON THE TRAILER THROUGH A CONVERSION CERTIFIED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY; AND

(II) OPERATES ON EITHER COMPRESSED NATURAL GAS, LIQUEFIED NATURAL GAS, LIQUEFIED PETROLEUM GAS, HYDROGEN, OR ELECTRICITY, OR ANY COMBINATION THEREOF.

(r) "ELECTRIC TRUCK" OR "PLUG-IN HYBRID ELECTRIC TRUCK" MEANS A TRUCK THAT:

(I) HAS A GROSS VEHICLE WEIGHT RATING THAT EXCEEDS EIGHT THOUSAND FIVE HUNDRED POUNDS;

(II) HAS A MAXIMUM SPEED CAPABILITY OF AT LEAST FIFTY-FIVE MILES PER HOUR; AND

(III) IS PROPELLED TO A SIGNIFICANT EXTENT BY AN ELECTRIC MOTOR THAT DRAWS ELECTRICITY FROM A BATTERY THAT:

(A) HAS A BATTERY CAPACITY OF NOT LESS THAN FOUR KILOWATT HOURS; AND

(B) IS CAPABLE OF BEING RECHARGED FROM AN EXTERNAL SOURCE OF ELECTRICITY.

(s) "GROSS VEHICLE WEIGHT RATING" OR "GVWR" HAS THE SAME MEANING AS SET FORTH IN SECTION 42-2-402 (6), C.R.S.

(t) "HEAVY DUTY TRUCK" MEANS A TRUCK WITH A GROSS VEHICLE WEIGHT

RATING GREATER THAN TWENTY-SIX THOUSAND POUNDS.

(u) "HYBRID TRUCK" MEANS A TRUCK WITH A HYBRID PROPULSION SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND AN ALTERNATIVE FUEL OR TRADITIONAL FUEL.

(v) "HYDRAULIC HYBRID TRUCK" MEANS THE CONVERSION OF A TRUCK WITH A GROSS VEHICLE WEIGHT RATING OF MORE THAN FOURTEEN THOUSAND POUNDS TO A TRUCK WITH A HYBRID PROPULSION SYSTEM THAT OPERATES ON BOTH PRESSURIZED FLUID AND EITHER COMPRESSED NATURAL GAS, LIQUIFIED NATURAL GAS, LIQUIFIED PETROLEUM GAS, HYDROGEN, ELECTRICITY, OR A TRADITIONAL FUEL; EXCEPT THAT THE CONVERTED HYDRAULIC HYBRID TRUCK MUST INCREASE THE FUEL ECONOMY OF THE ORIGINAL TRUCK.

(w) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING REDUCTION DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE DEFINED IN SECTION 4053 OF THE INTERNAL REVENUE CODE, AS AMENDED, THAT ARE EXEMPT FROM FEDERAL EXCISE TAX PURSUANT TO SAID SECTION 4053.

(x) "LIGHT DUTY ELECTRIC TRUCK" MEANS AN ELECTRIC TRUCK WITH A GROSS VEHICLE WEIGHT RATING LESS THAN OR EQUAL TO TEN THOUSAND POUNDS BUT DOES NOT INCLUDE A LIGHT DUTY PASSENGER MOTOR VEHICLE.

(y) "LIGHT DUTY PASSENGER MOTOR VEHICLE" MEANS A PRIVATE PASSENGER MOTOR VEHICLE, INCLUDING VANS, CAPABLE OF SEATING TWELVE PASSENGERS OR LESS; EXCEPT THAT THE TERM DOES NOT INCLUDE MOTOR HOMES AS DEFINED IN SECTION 42-1-102 (57), C.R.S., OR MOTOR VEHICLES DESIGNED TO TRAVEL ON THREE OR FEWER WHEELS IN CONTACT WITH THE GROUND.

(z) "LIGHT DUTY TRUCK" MEANS A TRUCK WITH A GROSS VEHICLE WEIGHT RATING LESS THAN OR EQUAL TO FOURTEEN THOUSAND POUNDS BUT DOES NOT INCLUDE A LIGHT DUTY PASSENGER MOTOR VEHICLE.

(aa) "MEDIUM DUTY ELECTRIC TRUCK" MEANS AN ELECTRIC TRUCK WITH A GROSS VEHICLE WEIGHT RATING GREATER THAN TEN THOUSAND POUNDS AND UP TO TWENTY-SIX THOUSAND POUNDS.

(bb) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS AND UP TO TWENTY-SIX THOUSAND POUNDS.

(cc) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR FUEL COMMONLY USED ON THE HIGHWAYS OF THE STATE IN THE YEAR 2008.

(dd) "TRAILER" HAS THE SAME MEANING AS IN SECTION 42-1-102 (105), C.R.S.

(ee) "TRUCK" HAS THE SAME MEANING AS IN SECTION 42-1-102 (108), C.R.S., INCLUDES A HYBRID TRUCK, A LIGHT DUTY PASSENGER MOTOR VEHICLE, AND A BUS, HAS A MAXIMUM SPEED CAPABILITY OF AT LEAST FIFTY-FIVE MILES PER HOUR, IS LICENSED OR SUBJECT TO LICENSING FOR OPERATION UPON THE HIGHWAYS OF THE STATE, AND IS EITHER:

(I) TITLED AND REGISTERED IN THE STATE; OR

(II) REGISTERED UNDER THE INTERNATIONAL REGISTRATION PLAN AND BASE PLATED IN THE STATE.

(2) **Category 4.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14) OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (2) OF THE ACTUAL COST INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR EACH PURCHASE OR LEASE OF A CATEGORY 4 TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (2). FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE PURCHASE OR LEASE OF A CATEGORY 4 TRUCK MUST OCCUR ON OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

	INCOME TAX YEAR COMMENCING:					
	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 BUT BEFORE 1/1/2022	CAP PER INCOME TAX YEAR
LIGHT DUTY PASSENGER MOTOR VEHICLE	18%	15%	11.25%	7.5%	3.75%	\$6,000
LIGHT DUTY TRUCK	18%	15%	11.25%	7.5%	3.75%	\$7,500
MEDIUM DUTY TRUCK	18%	15%	11.25%	7.5%	3.75%	\$15,000
HEAVY DUTY TRUCK	18%	15%	11.25%	7.5%	3.75%	\$20,000

(3) **Category 4 A.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14) OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (3) OF THE ACTUAL COST INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A CATEGORY 4 A TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (3). FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE CONVERSION OF A CATEGORY 4 A TRUCK MUST OCCUR ON OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

(b)

	INCOME TAX YEAR COMMENCING:					
	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 BUT BEFORE 1/1/2022	CAP PER INCOME TAX YEAR
LIGHT DUTY PASSENGER MOTOR VEHICLE	55%	45%	33.75%	22.5%	11.25%	\$6,000
LIGHT DUTY TRUCK	55%	45%	33.75%	22.5%	11.25%	\$7,500
MEDIUM DUTY TRUCK	55%	45%	33.75%	22.5%	11.25%	\$15,000
HEAVY DUTY TRUCK	55%	45%	33.75%	22.5%	11.25%	\$20,000

(4) **Category 4 B.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14) OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (4) OF THE ACTUAL COST INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR EACH PURCHASE OR LEASE OF A CATEGORY 4 B TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (4). FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE PURCHASE OR LEASE OF A CATEGORY 4 B TRUCK MUST OCCUR ON OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

(b)

	INCOME TAX YEAR COMMENCING:					
	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 BUT BEFORE 1/1/2022	CAP PER INCOME TAX YEAR
LIGHT DUTY PASSENGER MOTOR VEHICLE	18%	15%	11.25%	7.5%	3.75%	\$6,000
LIGHT DUTY TRUCK	18%	15%	11.25%	7.5%	3.75%	\$7,500
MEDIUM DUTY TRUCK	18%	15%	11.25%	7.5%	3.75%	\$15,000

HEAVY DUTY TRUCK	18%	15%	11.25%	7.5%	3.75%	\$20,000
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(5) **Category 4 C.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14) OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (5) OF THE ACTUAL COST INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A CATEGORY 4 C TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (5). FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE CONVERSION OF A CATEGORY 4 C TRUCK MUST OCCUR ON OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

(b)	INCOME TAX YEAR COMMENCING:					
	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 BUT BEFORE 1/1/2022	CAP PER INCOME TAX YEAR
LIGHT DUTY PASSENGER MOTOR VEHICLE	55%	45%	33.75%	22.5%	11.25%	\$6,000
LIGHT DUTY TRUCK	55%	45%	33.75%	22.5%	11.25%	\$7,500
MEDIUM DUTY TRUCK	55%	45%	33.75%	22.5%	11.25%	\$15,000
HEAVY DUTY TRUCK	55%	45%	33.75%	22.5%	11.25%	\$20,000

(6) **Category 5.** WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2015, BUT BEFORE JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE OF TWENTY-FIVE PERCENT OF THE ACTUAL COST INCURRED BY THE TAXPAYER DURING A TAX YEAR FOR CATEGORY 5, NOT TO EXCEED SIX THOUSAND DOLLARS.

(7) **Category 6.** WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE OF TWENTY-FIVE PERCENT OF THE ACTUAL COST INCURRED BY THE TAXPAYER DURING A TAX YEAR FOR CATEGORY 6, NOT TO EXCEED SIX THOUSAND DOLLARS FOR EACH INSTALLED DEVICE AND NOT TO EXCEED FIFTY THOUSAND DOLLARS DURING A TAX YEAR FOR THE INSTALLATION OF MULTIPLE DEVICES. FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE

INSTALLATION MUST OCCUR ON OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

(8) **Category 7.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14) OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (8) OF THE ACTUAL COST INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR EACH PURCHASE OR LEASE OF A CATEGORY 7 TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (8). FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE PURCHASE OR LEASE OF A CATEGORY 7 TRUCK MUST OCCUR ON OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

	INCOME TAX YEAR COMMENCING:					
	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 BUT BEFORE 1/1/2022	CAP PER INCOME TAX YEAR
LIGHT DUTY PASSENGER MOTOR VEHICLE OVER 8,500 GVWR	18%	15%	11.25%	7.5%	3.75%	\$6,000
LIGHT DUTY ELECTRIC TRUCK	18%	15%	11.25%	7.5%	3.75%	\$7,500
MEDIUM DUTY ELECTRIC TRUCK	18%	15%	11.25%	7.5%	3.75%	\$15,000
HEAVY DUTY TRUCK	18%	15%	11.25%	7.5%	3.75%	\$20,000

(9) **Category 7 A.** (a) EXCEPT AS PROVIDED IN SUBSECTION (14) OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (9) OF THE ACTUAL COST INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A CATEGORY 7 A TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (9). FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE CONVERSION OF A CATEGORY 7 A TRUCK MUST OCCUR ON OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

(b)	INCOME TAX YEAR COMMENCING:					
	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 BUT BEFORE 1/1/2022	CAP PER INCOME TAX YEAR
LIGHT DUTY PASSENGER MOTOR VEHICLE WITH A GVWR OVER 8,500 LBS	55%	45%	33.75%	22.5%	11.25%	\$6,000
LIGHT DUTY ELECTRIC TRUCK	55%	45%	33.75%	22.5%	11.25%	\$7,500
MEDIUM DUTY ELECTRIC TRUCK	55%	45%	33.75%	22.5%	11.25%	\$15,000
HEAVY DUTY TRUCK	55%	45%	33.75%	22.5%	11.25%	\$20,000

(10) **Category 8. (a)** WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (10) OF THE ACTUAL COST INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR EACH PURCHASE OR LEASE OF A CATEGORY 8 TRAILER, NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (10). FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE PURCHASE OR LEASE OF A CATEGORY 8 TRAILER MUST OCCUR ON OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

(b)	INCOME TAX YEAR COMMENCING:					
	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 BUT BEFORE 1/1/2022	CAP PER INCOME TAX YEAR
CATEGORY 8	18%	15%	11.75%	7.5%	3.75%	\$7,500

(11) **Category 8 A. (a)** WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (11) OF THE ACTUAL COST INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A REFRIGERATED TRAILER TO A CATEGORY 8 A TRAILER, NOT TO EXCEED THE

AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (11). FOR PURPOSES OF THE INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2015, THE CONVERSION OF A REFRIGERATED TRAILER TO A CATEGORY 8 A TRAILER MUST OCCUR ON OR AFTER JULY 1, 2014, BUT BEFORE JANUARY 1, 2015.

(b)	INCOME TAX YEAR COMMENCING:					
	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 BUT BEFORE 1/1/2022	CAP PER INCOME TAX YEAR
CATEGORY 8 A	55%	45%	33.75%	22.5%	11.25%	\$7,500

(11.5) **Category 9.** (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (14) OF THIS SECTION, WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2014, BUT BEFORE JANUARY 1, 2022, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE AS A PERCENTAGE SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (11.5) OF THE ACTUAL COST INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A CATEGORY 9 TRUCK, NOT TO EXCEED THE AMOUNT SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (11.5).

(b)	INCOME TAX YEAR COMMENCING:					
	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 BUT BEFORE 1/1/2022	CAP PER INCOME TAX YEAR
CATEGORY 9	55%	45%	33.75%	22.5%	11.25%	\$6,000

(12) A TAXPAYER CLAIMING THE CREDIT AUTHORIZED BY THIS SECTION SHALL NOT CLAIM THE CREDIT IN AN AMOUNT THAT EXCEEDS THE INCREMENTAL COST OF THE ACTUAL COST INCURRED FOR THE CATEGORY 4, 4 A, 4 B, 4 C, 7, OR 7 A TRUCK OR MOTOR VEHICLE OVER THE MANUFACTURER'S SUGGESTED RETAIL PRICE OF A COMPARABLE TRADITIONAL FUEL TRUCK OR LIGHT DUTY PASSENGER MOTOR VEHICLE.

(13) IF A CREDIT AUTHORIZED IN THIS SECTION EXCEEDS THE INCOME TAX DUE ON THE INCOME OF THE TAXPAYER FOR THE TAXABLE YEAR, THE EXCESS CREDIT MAY NOT BE CARRIED FORWARD AND MUST BE REFUNDED TO THE TAXPAYER.

(14) (a) DURING THE CALENDAR YEAR ENDING DECEMBER 31, 2018, THE COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101, C.R.S., SHALL DETERMINE WHETHER CATEGORY 4, 4 A, 4 B, 4 C, 7, 7 A, OR 9 MEDIUM OR HEAVY DUTY TRUCKS GENERATE LIFE-CYCLE EMISSIONS MATERIALLY GREATER THAN

COMPARABLE MEDIUM OR HEAVY DUTY TRUCKS USING TRADITIONAL FUEL. SUCH A LIFE-CYCLE ANALYSIS MUST INCLUDE THE DIRECT EMISSIONS REGULATED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY OR BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT THAT ARE ASSOCIATED WITH PRODUCING, TRANSPORTING, AND USING THE ALTERNATIVE OR TRADITIONAL FUELS. THE COLORADO ENERGY OFFICE SHALL CONSIDER THE LIKELY ADOPTION OF FUTURE TECHNOLOGY AT EACH STAGE OF THE LIFE-CYCLE.

(b) IN MAKING THE DETERMINATIONS DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (14), THE COLORADO ENERGY OFFICE SHALL CONSIDER PUBLIC INPUT, ANY ANALYSIS OR REPORTS PREPARED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, OTHER STATES, OR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, AND ANY PEER-REVIEWED STUDIES CONDUCTED IN THE UNITED STATES THAT EVALUATE SIMILAR MATTERS.

(c) IN THE EVENT THAT CATEGORY 4, 4 A, 4 B, 4 C, 7, 7 A, OR 9 MEDIUM OR HEAVY DUTY TRUCKS ARE SHOWN TO GENERATE LIFE-CYCLE EMISSIONS MATERIALLY GREATER THAN COMPARABLE TRADITIONAL FUEL TRUCKS, THEN THE COLORADO ENERGY OFFICE SHALL NOTIFY THE DEPARTMENT OF REVENUE THAT NO TAX CREDIT SPECIFIED IN THIS SECTION IS AVAILABLE FOR SUCH TRUCKS FOR THE INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, BUT BEFORE JANUARY 1, 2022; EXCEPT THAT THE COLORADO ENERGY OFFICE MAY DETERMINE IF A PARTICULAR CATEGORY 4, 4 A, 4 B, 4 C, 7, 7 A, OR 9 TRUCK MODEL OR ENGINE DOES NOT GENERATE LIFE-CYCLE EMISSIONS MATERIALLY GREATER THAN A COMPARABLE TRADITIONAL FUEL TRUCK MODEL OR ENGINE AND IS THUS ALLOWED A CREDIT FOR A GIVEN INCOME TAX YEAR, OR THE COLORADO ENERGY OFFICE MAY ALLOW A CREDIT IF THE TAXPAYER CAN DEMONSTRATE THAT THE TAXPAYER HAS A LONG-TERM FUEL CONTRACT FOR HIS OR HER CATEGORY 4, 4 A, 4 B, 4 C, 7, 7 A, OR 9 TRUCK FROM A GREEN FUEL PROVIDER, SUCH THAT THE LIFE-CYCLE EMISSIONS FROM SUCH TRUCK ARE NOT MATERIALLY GREATER THAN THE EMISSIONS OF A COMPARABLE TRADITIONAL FUEL TRUCK. FOR PURPOSES OF THIS PARAGRAPH (c), "GREEN FUEL PROVIDER" MEANS THE ALTERNATIVE FUEL IS PRODUCED AND DELIVERED BY PROVIDERS THAT HAVE ADOPTED BEST PRACTICES FOR LOW LIFE-CYCLE EMISSIONS. ON OR BEFORE JANUARY 1, 2019, AND ON OR BEFORE EACH JANUARY 1 THEREAFTER THROUGH JANUARY 1, 2021, THE COLORADO ENERGY OFFICE AND THE DEPARTMENT OF REVENUE SHALL, THROUGH THEIR RESPECTIVE WEB SITES, SPECIFY WHICH CATEGORY 4, 4 A, 4 B, 4 C, 7, 7 A, OR 9 MEDIUM OR HEAVY DUTY TRUCKS ARE NOT ALLOWED A CREDIT FOR A GIVEN INCOME TAX YEAR.

(15) NO MORE THAN ONE TAX CREDIT SHALL BE GRANTED PURSUANT TO THIS SECTION AND SECTIONS 39-22-516, 39-22-516.5, AND 39-22-516.7 FOR ANY INDIVIDUAL MOTOR VEHICLE OR TRUCK.

(16) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2026.

**SECTION 3.** In Colorado Revised Statutes, 39-22-516.7, **amend** (1) (h), (1) (i), (1) (j), (1) (n), (2) (a), (2) (d), (4) (e), (4) (f), (4) (g), and (6); and **add** (2) (a.5) as follows:

**39-22-516.7. Tax credit for innovative motor vehicles - definitions - repeal.**

(1) As used in this section, unless the context otherwise requires:

(h)(I) "Category 4" means original equipment manufacturer light duty passenger motor vehicles, light duty trucks, and medium duty trucks that are equipped to operate on compressed natural gas or on liquefied petroleum gas. For purposes of this paragraph (h), "operate on compressed natural gas or on liquefied petroleum gas" means a motor vehicle that operates exclusively on compressed natural gas or on liquefied petroleum gas or a bi-fuel motor vehicle with a multi-fuel engine capable of running on either compressed natural gas or traditional fuel, or either liquefied petroleum gas or traditional fuel.

(II) THIS PARAGRAPH (h) IS REPEALED, EFFECTIVE DECEMBER 31, 2019.

(i)(I) "Category 4 A" means light duty passenger motor vehicle, light duty truck, and medium duty truck compressed natural gas or ~~on~~ liquefied petroleum gas conversions certified by the United States environmental protection agency. For purposes of this paragraph (i), "compressed natural gas or liquefied petroleum gas conversions" means a conversion to a motor vehicle that operates exclusively on compressed natural gas or on liquefied petroleum gas or a bi-fuel motor vehicle with a multi-fuel engine capable of running on either compressed natural gas or traditional fuel, or either liquefied petroleum gas or traditional fuel.

(II) THIS PARAGRAPH (i) IS REPEALED, EFFECTIVE DECEMBER 31, 2019.

(j)(I) "Category 5" means the installation of any idling reduction technologies on or in a motor vehicle.

(II) THIS PARAGRAPH (j) IS REPEALED, EFFECTIVE DECEMBER 31, 2019.

(n)(I) "Idling reduction technologies" means idling reduction devices or advanced insulation, as those terms are defined in section 4053 of the internal revenue code, as amended, exempt from federal excise tax pursuant to said section 4053.

(II) THIS PARAGRAPH (n) IS REPEALED, EFFECTIVE DECEMBER 31, 2019.

(2)(a) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2022, there ~~shall be~~ is allowed to any person a credit against the tax imposed by this article, not to exceed six thousand dollars, for the purchase, lease, or conversion of a motor vehicle defined as category 1, category 2, OR category 3. ~~category 4, or category 4 A.~~

(a.5)(I) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1, 2015, THERE IS ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, NOT TO EXCEED SIX THOUSAND DOLLARS, FOR THE PURCHASE, LEASE, OR CONVERSION OF A MOTOR VEHICLE DEFINED AS CATEGORY 4 OR CATEGORY 4 A.

(II) THIS PARAGRAPH (a.5) IS REPEALED, EFFECTIVE DECEMBER 31, 2019.

(d)(I) With respect to the tax years commencing on or after January 1, 2013, but prior to ~~January 1, 2022~~ JANUARY 1, 2015, there ~~shall be~~ is allowed to any person a credit against the tax imposed by this article, not to exceed six thousand dollars,

for category 5.

(II) THIS PARAGRAPH (d) IS REPEALED, EFFECTIVE DECEMBER 31, 2019.

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

(e) (I) **Category 4.** (A) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2014, ten and one-half percent of the actual cost incurred by a taxpayer during the tax year in purchasing or leasing a category 4 motor vehicle;

~~(H)~~ (B) With respect to the tax years commencing on or after January 1, 2014, but prior to ~~January 1, 2017~~ JANUARY 1, 2015, twelve and one-quarter percent of the actual cost incurred by a taxpayer during the tax year in purchasing or leasing a category 4 motor vehicle.

~~(HH)~~ With respect to the tax years commencing on or after January 1, 2017, but prior to January 1, 2019, ten and one-half percent of the actual cost incurred by a taxpayer during the tax year in purchasing or leasing a category 4 motor vehicle;

~~(IV)~~ With respect to the tax years commencing on or after January 1, 2019, but prior to January 1, 2020, seventy-five percent of the calculation specified in subparagraph (HH) of this paragraph (e);

~~(V)~~ With respect to the tax years commencing on or after January 1, 2020, but prior to January 1, 2021, fifty percent of the calculation specified in subparagraph (HH) of this paragraph (e);

~~(VI)~~ With respect to the tax years commencing on or after January 1, 2021, but prior to January 1, 2022, twenty-five percent of the calculation specified in subparagraph (HH) of this paragraph (e);

(II) THIS PARAGRAPH (e) IS REPEALED, EFFECTIVE DECEMBER 31, 2019.

(f) (I) **Category 4 A.** (A) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2014, thirty-five percent of the actual cost incurred by a taxpayer during the tax year for the conversion of a motor vehicle defined as category 4 A;

~~(H)~~ (B) With respect to the tax years commencing on or after January 1, 2014, but prior to ~~January 1, 2019~~ JANUARY 1, 2015, twenty-five percent of the actual cost incurred by a taxpayer during the tax year for the conversion of a motor vehicle defined as category 4 A.

~~(HH)~~ With respect to the tax years commencing on or after January 1, 2019, but prior to January 1, 2020, seventy-five percent of the calculation specified in subparagraph (H) of this paragraph (f);

~~(IV)~~ With respect to the tax years commencing on or after January 1, 2020, but prior to January 1, 2021, fifty percent of the calculation specified in subparagraph

~~(H) of this paragraph (f);~~

~~(V) With respect to the tax years commencing on or after January 1, 2021, but prior to January 1, 2022, twenty-five percent of the calculation specified in subparagraph (H) of this paragraph (f).~~

(II) THIS PARAGRAPH (f) IS REPEALED, EFFECTIVE DECEMBER 31, 2019.

(g) **Category 5.** (I) With respect to the tax years commencing on or after January 1, 2013, but prior to ~~January 1, 2019~~ JANUARY 1, 2015, twenty-five percent of the actual cost incurred by a taxpayer during the tax year for category 5.

~~(II) With respect to the tax years commencing on or after January 1, 2019, but prior to January 1, 2020, seventy-five percent of the calculation specified in subparagraph (f) of this paragraph (g);~~ THIS PARAGRAPH (g) IS REPEALED, EFFECTIVE DECEMBER 31, 2019.

~~(III) With respect to the tax years commencing on or after January 1, 2020, but prior to January 1, 2021, fifty percent of the calculation specified in subparagraph (f) of this paragraph (g);~~

~~(IV) With respect to the tax years commencing on or after January 1, 2021, but prior to January 1, 2022, twenty-five percent of the calculation specified in subparagraph (f) of this paragraph (g).~~

(6) Except as provided in subsection (5) of this section, and notwithstanding the allowance of credits for any tax years commencing on or after January 1, 2013, but prior to January 1, 2014, under this section and section 39-22-516.5, no more than one tax credit shall be granted pursuant to this section ~~section~~ AND SECTIONS 39-22-516, ~~and section~~ 39-22-516.5, AND 39-22-516.8 for any individual motor vehicle.

**SECTION 4.** In Colorado Revised Statutes, 39-22-516.7, **amend** (1) (a) (I) (A) as follows:

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

(a) (I) (A) "Actual cost incurred" means the actual cost paid by the purchaser for a used motor vehicle ~~OR conversion or idling reduction technologies~~ minus any credits, grants, or rebates, including federal credits, grants, or rebates for which the purchaser is eligible, but excluding the credit specified in this section.

**SECTION 5.** In Colorado Revised Statutes, 39-26-719, **amend** (1) (a) and (2) (b) (I) as follows:

**39-26-719. Motor vehicles - repeal.** (1) (a) There shall be exempt from taxation under the provisions of part 1 of this article the sale of any motor vehicle, power source for any motor vehicle, or parts used for converting the power source for any motor vehicle, if:

(I) (A) FOR SALES OCCURRING ON OR BEFORE JUNE 30, 2014, the gross vehicle weight rating of the motor vehicle is greater than ten thousand pounds and if the motor vehicle, power source, or parts used for converting the power source are certified by the ~~federal~~ UNITED STATES environmental protection agency or any state as provided in the "Federal Clean Air Act" as meeting an emission standard equal to or more stringent than the low-emitting vehicle emission standard.

(B) THIS SUBPARAGRAPH (I) IS REPEALED, EFFECTIVE DECEMBER 31, 2015.

(II) FOR SALES OCCURRING ON OR AFTER JULY 1, 2014:

(A) THE GROSS VEHICLE WEIGHT RATING OF THE MOTOR VEHICLE IS GREATER THAN TWENTY-SIX THOUSAND POUNDS AND IF THE POWER SOURCE OR PARTS USED FOR CONVERTING THE POWER SOURCE ARE CERTIFIED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AS PROVIDED IN THE FEDERAL HEAVY-DUTY NATIONAL PROGRAM THAT INCLUDES NEW GREENHOUSE GAS EMISSIONS STANDARDS AS ESTABLISHED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY; OR

(B) THE GROSS VEHICLE WEIGHT RATING OF THE MOTOR VEHICLE IS GREATER THAN TEN THOUSAND POUNDS AND IF THE MOTOR VEHICLE, POWER SOURCE, OR PARTS USED FOR CONVERTING THE POWER SOURCE MEETS THE DEFINITION OF A CATEGORY 4, 4 A, 4 B, 4 C, 7, OR 7 A TRUCK AS DEFINED IN SECTION 39-22-516.8.

(2) The following shall be exempt from taxation under the provisions of part 2 of this article:

(b) (I) The storage, use, or consumption of a motor vehicle, power source for a motor vehicle, and parts used for converting the power source of a motor vehicle, if:

(A) FOR SALES OCCURRING ON OR BEFORE JUNE 30, 2014, the gross vehicle weight rating of the motor vehicle is greater than ten thousand pounds and if the motor vehicle, power source, or parts used for converting the power source are certified by the ~~federal~~ UNITED STATES environmental protection agency or any state as provided in the "Federal Clean Air Act" as meeting an emission standard equal to or more stringent than the low-emitting vehicle emission standard;

(B) FOR SALES OCCURRING ON OR AFTER JULY 1, 2014, THE GROSS VEHICLE WEIGHT RATING OF THE MOTOR VEHICLE IS GREATER THAN TWENTY-SIX THOUSAND POUNDS AND IF THE POWER SOURCE OR PARTS USED FOR CONVERTING THE POWER SOURCE ARE CERTIFIED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AS PROVIDED IN THE FEDERAL HEAVY-DUTY NATIONAL PROGRAM THAT INCLUDES NEW GREENHOUSE GAS EMISSIONS STANDARDS AS ESTABLISHED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY; OR

(C) FOR SALES OCCURRING ON OR AFTER JULY 1, 2014, THE GROSS VEHICLE WEIGHT RATING OF THE MOTOR VEHICLE IS GREATER THAN TEN THOUSAND POUNDS AND IF THE MOTOR VEHICLE, POWER SOURCE, OR PARTS USED FOR CONVERTING THE POWER SOURCE MEETS THE DEFINITION OF A CATEGORY 4, 4 A, 4 B, 4 C, 7, OR 7 A TRUCK AS DEFINED IN SECTION 39-22-516.8.

**SECTION 6.** In Colorado Revised Statutes, 42-3-107, **amend** (1) (a) (I); and **add** (1) (a) (I.5) as follows:

**42-3-107. Taxable value of classes of property - rate of tax - when and where payable - department duties - apportionment of tax collections - definitions - rules - repeal.** (1) (a) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (I.5) OF THIS PARAGRAPH (a), the taxable value of every item of Class A or Class B personal property greater than sixteen thousand pounds declared empty vehicle weight shall be the actual purchase price of such property. Such price shall not include any applicable federal excise tax, including the excise tax on the first retail sale of a heavy truck, trailer, or tractor for which the seller is liable, transportation or shipping costs, or preparation and delivery costs. The taxable value of every item of Class A or Class B personal property less than or equal to sixteen thousand pounds declared empty vehicle weight shall be seventy-five percent of the manufacturer's suggested retail price.

(I.5)(A) THE TAXABLE VALUE OF EVERY ITEM OF CLASS A OR CLASS B PERSONAL PROPERTY GREATER THAN SIXTEEN THOUSAND POUNDS DECLARED EMPTY VEHICLE WEIGHT THAT MEETS THE DEFINITION OF CATEGORY 4, CATEGORY 4 A, CATEGORY 4 B, CATEGORY 4 C, CATEGORY 7, CATEGORY 7 A, AND CATEGORY 9 TRUCKS AS DEFINED IN SECTION 39-22-516.8, C.R.S., IS SEVENTY-FIVE PERCENT OF THE ACTUAL PURCHASE PRICE OF SUCH PROPERTY.

(B) THIS SUBPARAGRAPH (I.5) IS REPEALED, EFFECTIVE DECEMBER 31, 2026.

**SECTION 7. Appropriation.** (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund, not otherwise appropriated, to the department of education, for the fiscal year beginning July 1, 2014, the sum of \$7,000, or so much thereof as may be necessary, to be allocated to the state share of districts' total program funding for the implementation of this act.

(2) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado state titling and registration account of the highway users tax fund created in section 42-1-211 (2), Colorado Revised Statutes, not otherwise appropriated, to the department of revenue, for the fiscal year beginning July 1, 2014, the sum of \$412, or so much thereof as may be necessary, to be allocated for the purchase of computer center services for the implementation of this act.

(3) In addition to any other appropriation, there is hereby appropriated to the governor - lieutenant governor - state planning and budgeting, for the fiscal year beginning July 1, 2014, the sum of \$412, or so much thereof as may be necessary, for allocation to the office of information technology, for the provision of computer center services for the department of revenue related to the implementation of this act. Said sum is from reappropriated funds received from the department of revenue out of the appropriation made in subsection (2) of this section.

**SECTION 8. Effective date.** This act takes effect upon passage; except that section 4 of this act amending section 39-22-516.7 (1) (a) (I) (A), Colorado Revised Statutes, takes effect December 31, 2019.

**SECTION 9. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 6, 2014