

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

April 13, 2023
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB23-1272 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, page 8, after line 13 insert:
- 2 (m) The federal "Inflation Reduction Act" created consumer
- 3 zero emission vehicle tax credits that incentivize vehicles meeting the
- 4 escalating North American assembly and materials sourcing requirements.
- 5 The federal credits serve two primary purposes, both to reduce the price
- 6 of zero emission vehicles for consumers and to encourage investment in
- 7 domestic vehicle manufacturing.
- 8 (n) During an interim period while domestic manufacturing and
- 9 materials production for electric vehicles expand to meet the heightening
- 10 federal tax credit requirements, certain zero emission vehicles may be
- 11 ineligible for the full federal incentive;
- 12 (o) By filling a possible gap in electric vehicle eligibility for the
- 13 federal "Inflation Reduction Act" electric vehicle tax credits, the tax
- 14 credit incentives in this bill aim to assist Colorado consumers in
- 15 purchasing electric vehicles during the gap period, thereby aiding in the
- 16 immediate reduction of Colorado greenhouse gas emissions;"
- 17 Reletter succeeding paragraphs accordingly.
- 18 Page 14, line 22, strike "FIVE" and substitute "SIX".
- 19 Page 14, line 27, strike "THREE" and substitute "FOUR".
- 20 Page 15, line 1, strike "FIVE HUNDRED".
- 21 Page 15, lines 5 and 6, strike "ONE THOUSAND FIVE HUNDRED" and
- 22 substitute "TWO THOUSAND".

- 1 Page 15, line 10, after "ONE THOUSAND" insert "FIVE HUNDRED".
- 2 Page 15, line 15, strike "FIVE HUNDRED" and substitute "ONE THOUSAND".
- 3 Page 16, line 6, strike "\$30,000" and substitute "\$35,000".
- 4 Page 16, line 10, strike "THIRTY" and substitute "THIRTY-FIVE".
- 5 Page 31, line 22, strike "APPLY FOR" and substitute "RECEIVE".
- 6 Page 33, line 24, after "APPLICATIONS" insert "FOR AN INITIAL
7 APPLICATION PERIOD".
- 8 Page 33, line 25, after the first "AND" insert "ON AND AFTER JANUARY 1,
9 2025, SHALL ACCEPT APPLICATIONS".
- 10 Page 36, line 8, strike "SHALL CONSIDER:" and substitute "SHALL:".
- 11 Page 36, line 9, strike "ADDITIONAL" and substitute "CONSIDER
12 ADDITIONAL".
- 13 Page 36, line 11, strike "THE" and substitute "PRIORITIZE THE".
- 14 Page 36, line 24, strike "PLAN;" and substitute "PLAN WITH
15 PRIORITIZATION GIVEN TO PROJECTS THAT LIMIT THE AMOUNT OF
16 POLLUTANTS EMITTED BY EMERGING TECHNOLOGIES, INCLUDING PROJECTS
17 THAT INCLUDE ELECTRIFICATION AND USE OF RENEWABLE ELECTRICITY;".
- 18 Page 38, line 23, strike "2024," and substitute "2025,".
- 19 Page 39, line 3, strike "TWELVE MILLION FIVE HUNDRED" and substitute
20 "THIRTEEN MILLION SEVEN HUNDRED FIFTY".
- 21 Page 39, line 7, strike "DECEMBER 31, 2023," and substitute "JUNE 30,
22 2024,".
- 23 Page 39, line 8, strike "2024," and substitute "2025,".
- 24 Page 40, after line 26 insert:
25 "(12) (a) AN OWNER SHALL SUBMIT A REPORT TO THE OFFICE BY
26 THE END OF THE FIRST MONTH AFTER THE END OF ANY INCOME TAX YEAR
27 IN WHICH THE OWNER RECEIVED A TAX CREDIT UNDER THIS SECTION AND

1 SHALL ANNUALLY SUBMIT A REPORT FOR THREE YEARS THEREAFTER
2 VERIFYING THE GREENHOUSE GAS EMISSIONS REDUCTION IMPROVEMENTS
3 ARE, NOTWITHSTANDING CIRCUMSTANCES EVALUATED AND DETERMINED
4 BY THE OFFICE TO BE JUSTIFIED, IN USE AT THE LOCATION IDENTIFIED IN
5 THE OWNER'S APPLICATION FOR A TAX CREDIT CERTIFICATE AND REMAIN
6 OWNED BY THE OWNER.

7 (b) IF AN OWNER WAS ALLOWED A CREDIT UNDER THIS SECTION
8 AND FAILS TO DEMONSTRATE THE GREENHOUSE GAS EMISSIONS
9 REDUCTION IMPROVEMENTS ARE, NOTWITHSTANDING CIRCUMSTANCES
10 EVALUATED AND DETERMINED BY THE OFFICE TO THE JUSTIFIED, IN USE AT
11 THE LOCATION IDENTIFIED IN THE OWNER'S APPLICATION FOR A TAX
12 CREDIT CERTIFICATE OR ARE OWNED BY THE OWNER IN ANY OF THE THREE
13 TAXABLE YEARS IMMEDIATELY FOLLOWING THE TAXABLE YEAR IN WHICH
14 THE GREENHOUSE GAS EMISSIONS IMPROVEMENTS WERE PLACED IN
15 SERVICE, THE OFFICE SHALL NOTIFY THE DEPARTMENT IN WRITING THAT
16 THE CREDIT ALLOWED IN THIS SECTION MUST BE DISALLOWED FOR THAT
17 OWNER. THE OWNER SHALL ADD THE AMOUNT OF THE DISALLOWED CREDIT
18 TO ITS RETURN AS A RECAPTURED CREDIT FOR THE TAX YEAR IN WHICH
19 THE CREDIT IS DISALLOWED PURSUANT TO THIS SUBSECTION (12).".

20 Renumber succeeding subsections accordingly.

21 Amend the Energy and Environment Committee Report, dated April 6,
22 2023, page 2, after line 2, insert:

23 "Page 49, line 7, strike "WITH RESPECT TO THE QUALIFIED EXPENDITURE."
24 and substitute "FOR THE SAME PROJECT.".

25 Page 52, after line 16, insert:

26 "(6) A QUALIFIED ENTITY THAT CLAIMS THE CREDIT ALLOWED BY
27 THIS SECTION MAY NOT CLAIM THE CREDIT ALLOWED BY SECTION
28 39-30-104 FOR THE SAME PROJECT.".

29 Renumber succeeding subsections accordingly.".

30 Page 2 of the report, line 19, strike "FIVE" and substitute "THREE".

31 Page 74 of the bill, line 22, strike "FIVE" and substitute "THREE".

32 Page 78, strike lines 3 through 27.

33 Strike page 79.

- 1 Page 80, strike lines 1 through 9.
- 2 Renumber succeeding sections accordingly.
- 3 Page 80, strike lines 21 through 27.
- 4 Strike pages 81 and 82.
- 5 Page 83, strike lines 1 through 4.
- 6 Renumber succeeding sections accordingly.
- 7 Amend the Energy and Environment Committee Report, page 3, before
8 line 23, insert:
- 9 "Page 84, line 18, strike "(2)(e) and (7)(a)(IV)" and substitute "(2)(e),
10 (7)(a)(IV), and (7)(f)".".
- 11 Page 3 of the report, after line 27 insert:
- 12 "Page 85, line 15, after "OFFICE" insert "AND THE DEPARTMENT OF
13 REVENUE".".
- 14 Page 3 of the report, strike lines 31 through 33.
- 15 Page 4 of the report, strike line 1 and substitute "committee no later than
16 ~~January 15, 2024~~ JANUARY 15, 2025. Prior submission of the".
- 17 Page 4 of the report, strike lines 6 and 7 and substitute:
18 "(e) ~~This subsection (7) is repealed, effective July 1, 2024.~~ IT IS
19 THE INTENT OF THE GENERAL ASSEMBLY THAT THE RECOMMENDATIONS
20 WITHIN THE IMPLEMENTATION PLAN PURSUANT TO SUBSECTION (7)(a) OF
21 THIS SECTION BE IMPLEMENTED BY TAX YEAR 2026 WITH RESPECT TO
22 CHANGING THE STRUCTURE OF THE CREDIT, PROVIDED THAT REVENUE TO
23 THE STATE, AS DETERMINED BY LEGISLATIVE COUNCIL STAFF, IS NEUTRAL
24 WITH RESPECT TO AMENDMENTS MADE TO 39-29-105 (2)(b) AND (2)(c) AS
25 AMENDED BY HB23-1272. TO THIS END, IT IS THE INTENT OF THE GENERAL
26 ASSEMBLY THAT 39-29-105 (2)(c) BE FURTHER AMENDED OR SUPERSEDED
27 BY THE RECOMMENDATION OR RECOMMENDATIONS DURING THE 2025
28 LEGISLATIVE SESSION.
- 29 (f) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JULY 1, 2025.".".
- 30 Page 89 of the bill, strike lines 11 through 27.

- 1 Strike page 90.
- 2 Page 91, strike lines 1 through 23.
- 3 Renumber succeeding sections accordingly.
- 4 Amend the Energy and Environment Committee Report, page 4, line 8,
5 strike "after line 23" and substitute "before line 24".
- 6 Page 4 of the report, line 10, before "(5)" add "(3.3) and".
- 7 Page 4 of the report, strike line 12, and substitute:
8 **"definitions. (3.3) AS PART OF THE HEARING REQUIRED BY**
9 **SECTION 2-7-203 (2), FOR HEARINGS HELD ON OR AFTER JANUARY 1, 2025,**
10 **BUT BEFORE JANUARY 1, 2034, THE COLORADO ENERGY OFFICE SHALL**
11 **REPORT ON THE ESTIMATED IMPACT OF GREENHOUSE GAS EMISSIONS**
12 **REDUCTIONS ATTRIBUTABLE TO THE TAX CREDITS CREATED IN SECTIONS**
13 **39-22-549, 39-22-550, 39-22-551, 39-22-552, 39-22-553, AND 39-22-554.**
14 **(5) (a) AS USED IN THIS SUBSECTION (5), UNLESS THE".**
- 15 Page 6 of the report, line 16, strike "2024-25 THROUGH 2032-33," and
16 substitute "2023-24 THROUGH 2034-35,".
- 17 Page 6 of the report, line 21, strike "JULY 1, 2033" and substitute "JUNE
18 30, 2024, AND ON EACH JUNE 30 THEREAFTER".
- 19 Page 6 of the report, after line 22 insert:
20 "(5) NOTWITHSTANDING SUBSECTION (4) OF THIS SECTION, ON
21 JULY 1, 2036, THE STATE TREASURER SHALL TRANSFER ALL MONEY IN THE
22 FUND TO THE GENERAL FUND.".
- 23 Renumber succeeding subsection accordingly.
- 24 Page 6 of the report, line 23, strike "2033." and substitute "2036.".
- 25 Page 6 of the report, strike lines 25 through 27 and substitute:
26 "Page 95 of the bill, strike lines 25 and 26 and substitute "SECTION
27 39-22-549 IS NOT ENTITLED TO CLAIM THE CREDIT ALLOWED PURSUANT TO
28 THIS SECTION FOR THE SAME IMPROVEMENTS FOR WHICH A CREDIT WAS
29 ALLOWED BY THAT SECTION. A PERSON THAT CLAIMS A CREDIT PURSUANT
30 TO SECTION 39-22-550 OR 39-22-551 IS NOT ENTITLED TO CLAIM THE
31 CREDIT ALLOWED PURSUANT TO THIS SECTION FOR THE SAME PROJECT FOR

- 1 WHICH A CREDIT WAS ALLOWED BY THOSE SECTIONS."."
- 2 Strike "MADE AND DELIVERED" and substitute "SOLD OR LEASED" on: **Page**
3 **14**, lines 15 and 16, 21, and 26; **Page 15**, lines 4, 9, 14, and 18; **Page 20**,
4 line 24; **Page 21**, line 17; **Page 22**, line 2; and **Page 23**, line 5 of the bill.
- 5 Page 1, lines 112 and 113, strike "AND A TEMPORARY SALES AND USE
6 TAX EXEMPTION".
- 7 Page 2, strike lines 101 through 104 and substitute "ELECTRIC MEDIUM-
8 AND HEAVY-DUTY TRUCKS; AND".

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