

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 19-0659.01 Esther van Mourik x4215

HOUSE BILL 19-1159

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A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO THE INCOME TAX CREDITS FOR**
102 **INNOVATIVE MOTOR VEHICLES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill modifies the amounts of and extends the number of available years of the existing income tax credits for the purchase or lease of an electric motor vehicle, a plug-in hybrid electric motor vehicle, and an original equipment manufacturer electric truck and plug-in hybrid electric truck.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

SENATE
3rd Reading Unamended
May 3, 2019

SENATE
Amended 2nd Reading
May 2, 2019

HOUSE
3rd Reading Unamended
April 24, 2019

HOUSE
Amended 2nd Reading
April 23, 2019

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 hereby finds and declares that the purpose of this act is to extend the
4 income tax credits for the purchase or lease of alternative fuel motor
5 vehicles, to clarify the availability of the credits for motor vehicles
6 powered by hydrogen fuel, to address the availability of the credit for
7 transportation network companies that provide category 1 vehicles for
8 short-term rentals to their drivers, and to adjust the amounts of the
9 available credits.

10 **SECTION 2.** In Colorado Revised Statutes, 39-22-516.7, **amend**
11 (1)(k)(III), (2)(a), ~~___~~ (4)(a)(IV), and (10); and **add** (4)(a)(V) and (9.5) as
12 follows:

13 **39-22-516.7. Tax credit for innovative motor vehicles -**
14 **definitions - repeal.** (1) As used in this section, unless the context
15 otherwise requires:

16 (k) "Electric motor vehicle" or "plug-in hybrid electric motor
17 vehicle" means a motor vehicle that:

18 (III) Is propelled to a significant extent by: an electric motor that
19 draws electricity from a battery that:

20 (A) Has a AN ELECTRIC MOTOR THAT DRAWS ELECTRICITY FROM
21 A battery THAT HAS A capacity of not less than four kilowatt hours and IS
22 CAPABLE OF BEING RECHARGED FROM AN EXTERNAL SOURCE OF
23 ELECTRICITY; OR

24 (B) Is capable of being recharged from an external source of
25 electricity POWER DERIVED FROM ONE OR MORE CELLS WHICH CONVERT
26 CHEMICAL ENERGY DIRECTLY INTO ELECTRICITY BY COMBINING OXYGEN

1 WITH HYDROGEN FUEL WHICH IS STORED ON BOARD THE VEHICLE IN ANY
2 FORM AND MAY OR MAY NOT REQUIRE REFORMATION PRIOR TO USE.

3 (2) (a) With respect to the tax years commencing on or after
4 January 1, 2013, but prior to ~~January 1, 2022~~ JANUARY 1, 2026, there is
5 allowed to any person a credit against the tax imposed by this ~~article~~
6 ARTICLE 22, not to exceed the amount specified in subsection (4) of this
7 section, for the purchase or lease of a motor vehicle defined as category
8 1.

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

11 (a) Category 1. (IV) With respect to the tax years commencing
12 on or after January 1, 2021, but prior to ~~January 1, 2022~~ JANUARY 1,
13 2023, two thousand five hundred dollars for a purchase or one thousand
14 five hundred dollars for a lease.

15 (V) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER
16 JANUARY 1, 2023, BUT PRIOR TO JANUARY 1, 2026, TWO THOUSAND
17 DOLLARS FOR A PURCHASE OR ONE THOUSAND FIVE HUNDRED DOLLARS
18 FOR A LEASE.

19 (9.5) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR
20 AFTER JANUARY 1, 2019, A TRANSPORTATION NETWORK COMPANY, AS
21 DEFINED IN SECTION 40-10.1-602 (3), OR A THIRD-PARTY VEHICLE
22 SUPPLIER THAT CONTRACTS WITH A TRANSPORTATION NETWORK COMPANY
23 TO PROVIDE CATEGORY 1 MOTOR VEHICLES FOR SHORT-TERM RENTAL TO
24 TRANSPORTATION NETWORK COMPANY DRIVERS, AS DEFINED IN SECTION
25 40-10.1-602(4), THAT ENTERS INTO LONG-TERM LEASES WITH A DURATION
26 OF NOT LESS THAN TWO YEARS FOR CATEGORY 1 MOTOR VEHICLES SHALL
27 BE TREATED AS HAVING PURCHASED EACH CATEGORY 1 MOTOR VEHICLE

1 FOR PURPOSES OF THE CREDIT CALCULATION SPECIFIED IN SUBSECTION
2 (4)(a) OF THIS SECTION IF THE VEHICLES ARE OFFERED TO
3 TRANSPORTATION NETWORK COMPANY DRIVERS, AS DEFINED IN SECTION
4 40-10.1-602 (4), FOR SHORT-TERM RENTAL PERIODS OF NOT MORE THAN
5 SIXTY DAYS.

6 (10) This section is repealed, effective ~~December 31, 2026~~
7 DECEMBER 31, 2030.

8 **SECTION 3.** In Colorado Revised Statutes, 39-22-516.8, **amend**
9 (1)(h), (1)(i), (1)(r)(III), (8.3), (8.5), and (18) as follows:

10 **39-22-516.8. Tax credit for innovative trucks - definitions -**
11 **repeal.** (1) As used in this section, unless the context otherwise requires:

12 (h) "Category 4 B" means original equipment manufacturer trucks
13 that are equipped to operate on liquified natural gas. ~~or on hydrogen.~~ For
14 purposes of this paragraph (h) SUBSECTION (1)(h), "operate on liquified
15 natural gas" ~~or on hydrogen~~ means a truck that operates exclusively on
16 liquified natural gas, ~~or on hydrogen,~~ or a bi-fuel truck with a multi-fuel
17 engine capable of running on either liquified natural gas or traditional
18 fuel, ~~or on either hydrogen or traditional fuel,~~ or a dual-fuel truck with a
19 multi-fuel engine capable of running on both liquified natural gas and
20 traditional fuel. ~~or on both hydrogen and traditional fuel.~~

21 (i) "Category 4 C" means liquefied natural gas ~~or hydrogen~~
22 conversions certified by the United States environmental protection
23 agency. For purposes of this paragraph (i) SUBSECTION (1)(i), "liquefied
24 natural gas ~~or hydrogen~~ conversions" means a conversion to a truck that
25 operates exclusively on liquefied natural gas, ~~or on hydrogen,~~ or a bi-fuel
26 truck with a multi-fuel engine capable of running on either liquefied
27 natural gas or traditional fuel, ~~or on either hydrogen or traditional fuel,~~ or

1 a dual-fuel truck with a multi-fuel engine capable of running on both
2 liquified natural gas and traditional fuel. or on both hydrogen and
3 traditional fuel.

4 (r) "Electric truck" or "plug-in hybrid electric truck" means a truck
5 that:

6 (III) Is propelled to a significant extent by: an electric motor that
7 draws electricity from a battery that:

8 (A) Has a AN ELECTRIC MOTOR THAT DRAWS ELECTRICITY FROM
9 A battery THAT HAS A capacity of not less than four kilowatt hours and IS
10 CAPABLE OF BEING RECHARGED FROM AN EXTERNAL SOURCE OF
11 ELECTRICITY; OR

12 (B) Is capable of being recharged from an external source of
13 electricity POWER DERIVED FROM ONE OR MORE CELLS WHICH CONVERT
14 CHEMICAL ENERGY DIRECTLY INTO ELECTRICITY BY COMBINING OXYGEN
15 WITH HYDROGEN FUEL WHICH IS STORED ON BOARD THE VEHICLE IN ANY
16 FORM AND MAY OR MAY NOT REQUIRE REFORMATION PRIOR TO USE.

17 (8.3) Category 7 purchase. (a) Except as provided in subsection
18 (14) of this section, with respect to the income tax years commencing on
19 or after January 1, 2017, but before ~~January 1, 2022~~ JANUARY 1, 2026,
20 there is allowed to any person a credit against the tax imposed by this
21 ~~article~~ ARTICLE 22 in an amount set forth in ~~paragraph (b) of this~~
22 ~~subsection (8.3)~~ SUBSECTION (8.3)(b) OF THIS SECTION for each purchase
23 of a category 7 truck during the tax year.

1 (b)

	<u>Income tax year commencing:</u>			
	<u>1/1/2017</u>	<u>1/1/2020</u>	<u>1/1/2021</u>	<u>1/1/2023</u>
	<u>but before</u>	<u>but before</u>	<u>but before</u>	<u>but before</u>
	<u>1/1/2020</u>	<u>1/1/2021</u>	<u>1/1/2022</u>	<u>1/1/2026</u>
<u>Light duty passenger</u>				
<u>motor vehicle over</u>				
<u>8,500 GVWR</u>	<u>\$5,000</u>	<u>\$4,000</u>	<u>\$2,500</u>	<u>\$2,000</u>
<u>Light duty electric</u>				
<u>truck</u>	<u>\$7,000</u>	<u>\$5,500</u>	<u>\$3,500</u>	<u>\$2,800</u>
<u>Medium duty electric</u>				
<u>truck</u>	<u>\$10,000</u>	<u>\$8,000</u>	<u>\$5,000</u>	<u>\$4,000</u>
<u>Heavy duty truck</u>	<u>\$20,000</u>	<u>\$16,000</u>	<u>\$10,000</u>	<u>\$8,000</u>

15 (8.5) **Category 7 lease.** (a) Except as provided in subsection (14)
 16 of this section, with respect to the income tax years commencing on or
 17 after January 1, 2017, but before ~~January 1, 2022~~ JANUARY 1, 2026, there
 18 is allowed to any person a credit against the tax imposed by this article
 19 ARTICLE 22 in an amount set forth in ~~paragraph (b) of this subsection (8.5)~~
 20 SUBSECTION (8.5)(b) OF THIS SECTION for each lease of a category 7 truck
 21 during the tax year.

1 (b)

	<u>Income tax year commencing:</u>		
	<u>1/1/2017</u>	<u>1/1/2020</u>	<u>1/1/2021</u>
	<u>but before</u>	<u>but before</u>	<u>1/1/2022</u>
	<u>1/1/2020</u>	<u>1/1/2021</u>	<u>1/1/2026</u>
<u>Light duty passenger</u>			
<u>motor vehicle over</u>			
<u>8,500 GVWR</u>	<u>\$2,500</u>	<u>\$2,000</u>	<u>\$1,500</u>
<u>Light duty electric</u>			
<u>truck</u>	<u>\$3,500</u>	<u>\$2,750</u>	<u>\$1,750</u>
<u>Medium duty electric</u>			
<u>truck</u>	<u>\$5,000</u>	<u>\$4,000</u>	<u>\$2,500</u>
<u>Heavy duty truck</u>	<u>\$10,000</u>	<u>\$8,000</u>	<u>\$5,000</u>

15 (18) This section is repealed, effective ~~December 31, 2026~~
 16 DECEMBER 31, 2030.

17 **SECTION 4. Act subject to petition - effective date.** This act
 18 takes effect at 12:01 a.m. on the day following the expiration of the
 19 ninety-day period after final adjournment of the general assembly (August
 20 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a
 21 referendum petition is filed pursuant to section 1 (3) of article V of the
 22 state constitution against this act or an item, section, or part of this act
 23 within such period, then the act, item, section, or part will not take effect
 24 unless approved by the people at the general election to be held in
 25 November 2020 and, in such case, will take effect on the date of the
 26 official declaration of the vote thereon by the governor.