

CHAPTER 386

TAXATION

HOUSE BILL 19-1159

BY REPRESENTATIVE(S) Jaquez Lewis and Gray, Bird, Cutter, Duran, Hansen, Hooton, Kennedy, Michaelson Jenet, Singer, Sirota, Snyder, Valdez A., Becker, Titone;
also SENATOR(S) Danielson.

AN ACT**CONCERNING MODIFICATIONS TO THE INCOME TAX CREDITS FOR INNOVATIVE MOTOR VEHICLES.**

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

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

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

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

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

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

(B) ~~Is capable of being recharged from an external source of electricity~~ POWER

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.

DERIVED FROM ONE OR MORE CELLS WHICH CONVERT CHEMICAL ENERGY DIRECTLY INTO ELECTRICITY BY COMBINING OXYGEN WITH HYDROGEN FUEL WHICH IS STORED ON BOARD THE VEHICLE IN ANY FORM AND MAY OR MAY NOT REQUIRE REFORMATION PRIOR TO USE.

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

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

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

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

(9.5) WITH RESPECT TO THE TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, A TRANSPORTATION NETWORK COMPANY, AS DEFINED IN SECTION 40-10.1-602 (3), OR A THIRD-PARTY VEHICLE SUPPLIER THAT CONTRACTS WITH A TRANSPORTATION NETWORK COMPANY TO PROVIDE CATEGORY 1 MOTOR VEHICLES FOR SHORT-TERM RENTAL TO TRANSPORTATION NETWORK COMPANY DRIVERS, AS DEFINED IN SECTION 40-10.1-602 (4), THAT ENTERS INTO LONG-TERM LEASES WITH A DURATION OF NOT LESS THAN TWO YEARS FOR CATEGORY 1 MOTOR VEHICLES SHALL BE TREATED AS HAVING PURCHASED EACH CATEGORY 1 MOTOR VEHICLE FOR PURPOSES OF THE CREDIT CALCULATION SPECIFIED IN SUBSECTION (4)(a) OF THIS SECTION IF THE VEHICLES ARE OFFERED TO TRANSPORTATION NETWORK COMPANY DRIVERS, AS DEFINED IN SECTION 40-10.1-602 (4), FOR SHORT-TERM RENTAL PERIODS OF NOT MORE THAN SIXTY DAYS.

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

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

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

(h) "Category 4 B" means original equipment manufacturer trucks that are equipped to operate on liquified natural gas. ~~or on hydrogen.~~ For purposes of this ~~paragraph (h)~~ SUBSECTION (1)(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)~~ SUBSECTION (1)(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.~~

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

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

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

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

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

(b)

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

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

(b)

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

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

SECTION 4. 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 2, 2019, if adjournment sine die is on May 3, 2019); 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: May 31, 2019