

HOUSE COMMITTEE OF REFERENCE REPORT

\_\_\_\_\_  
Chair of Committee

\_\_\_\_\_  
May 1, 2023  
Date

Committee on Finance.

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

SB23-280 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend reengrossed bill, page 7, strike lines 9 and 10 and substitute
- 2 "REVENUE FOR ADMINISTERING THE TAX CREDITS CREATED IN SECTIONS
- 3 39-22-516.8 (2.7), (3.7), AND (9.7);".
  
- 4 Page 9, line 11, strike "A TAX DISTRIBUTOR".
  
- 5 Page 9, strike lines 12 through 16 and substitute "EVERY MANUFACTURER
- 6 OF FUEL PRODUCTS WHO MANUFACTURES SUCH PRODUCTS FOR SALE
- 7 WITHIN COLORADO OR WHO SHIPS SUCH PRODUCTS FROM ANY POINT
- 8 OUTSIDE OF COLORADO TO A DISTRIBUTOR WITHIN COLORADO AND EVERY
- 9 DISTRIBUTOR WHO SHIPS SUCH PRODUCTS FROM ANY POINT OUTSIDE OF
- 10 COLORADO TO A POINT WITHIN COLORADO SHALL PAY TO THE
- 11 EXECUTIVE".
  
- 12 Page 11, line 3, strike "(6)(g), and (6)(h);" and substitute "and (6)(g);".
  
- 13 Page 11, line 4, after "(5.5)," insert "(6)(g.5)".
  
- 14 Page 14, strike lines 1 through 5.
  
- 15 Page 14, line 21, strike the second "THE" and substitute "A".
  
- 16 Page 16, lines 4 and 5, strike "NEWER, CLEANER MODELS;" and substitute
- 17 "NEWER ELIGIBLE TRUCKS;".
  
- 18 Page 17, strike line 12.
  
- 19 Reletter succeeding sub-subparagraphs accordingly.

- 1 Page 18, line 2, strike "VEHICLE;" and substitute "REPLACEMENT NEWER  
2 ELIGIBLE TRUCK;".
- 3 Page 18, line 10, strike "VEHICLES." and substitute "NEWER ELIGIBLE  
4 TRUCKS."
- 5 Page 18, line 12, strike "VEHICLE" and substitute "NEWER ELIGIBLE  
6 TRUCK".
- 7 Page 18, line 25, strike "2032." and substitute "2033."
- 8 Page 18, line 27, strike "2032," and substitute "2033,".
- 9 Page 19, line 12, strike "VEHICLES" and substitute "NEWER ELIGIBLE  
10 TRUCKS".
- 11 Page 19, line 22, strike "2032," and substitute "2033,".
- 12 Page 21, strike lines 5 and 6.
- 13 Renumber succeeding subparagraphs accordingly.
- 14 Page 21, after line 16 insert:
- 15 "(VIII) "NEWER ELIGIBLE TRUCK" MEANS ANY TRUCK THAT IS  
16 MODEL YEAR 2017 OR LATER AND DOES NOT QUALIFY FOR ACQUISITION  
17 FUNDING OR FINANCING ASSISTANCE FROM THE FUND."
- 18 Page 21, line 18, strike "2015" and substitute "2014".
- 19 Page 21, line 20, strike "2016 OR NEWER" and substitute "2017 OR NEW  
20 ELIGIBLE".
- 21 Page 23, strike lines 6 through 27.
- 22 Strike pages 24 through 32.
- 23 Page 33, strike lines 1 through 6 and substitute:
- 24 "**SECTION 9.** In Colorado Revised Statutes, 39-22-516.8, **amend**  
25 (1)(a)(I), (1)(a)(III)(G), (1)(f), (1)(g), (1)(r.5), (1)(ee)(II) introductory  
26 portion, (12), and (15); and **add** (1)(bb.7), (2.7), (3.7), and (9.7) as

1 follows:

2 **39-22-516.8. Tax credit for innovative trucks - definitions -**  
3 **repeal.** (1) As used in this section, unless the context otherwise requires:

4 (a) (I) "Actual cost incurred" means the actual cost paid by the  
5 purchaser ~~for a new or used truck or clean fuel refrigerated trailer;~~  
6 ~~conversion of a truck or clean fuel refrigerated trailer, idling reduction~~  
7 ~~technologies, or aerodynamic technologies,~~ minus any credits, grants, or  
8 rebates, including federal credits, grants, or rebates for which the  
9 purchaser is eligible, but excluding the credit specified in this section AND  
10 ANY INCENTIVE PROVIDED BY THE CLEAN FLEET ENTERPRISE AS ALLOWED  
11 IN SECTION 25-7.5-103 (3).

12 (II) For purposes of a lease, "actual cost incurred" means the total  
13 of payments contracted in the lease for the truck minus:

14 (G) Any credits, grants, or rebates, including federal credits,  
15 grants, or rebates for which the lessee or lessor is eligible, but excluding  
16 the credit specified in this section AND ANY INCENTIVE PROVIDED BY THE  
17 CLEAN FLEET ENTERPRISE AS ALLOWED IN SECTION 25-7.5-103 (3).

18 (f) "Category 4" means AN original equipment manufacturer  
19 ~~trucks that are~~ TRUCK THAT IS equipped to operate on ~~compressed natural~~  
20 ~~gas or on liquefied petroleum gas.~~ For purposes of this paragraph (f),  
21 ~~"operate on compressed natural gas or on liquefied petroleum gas"~~ means  
22 A RENEWABLE FUEL, INCLUDING a truck that operates exclusively on  
23 ~~compressed natural gas or on liquefied petroleum gas~~ A RENEWABLE FUEL,  
24 or a bi-fuel truck with a multi-fuel engine capable of running on either  
25 ~~compressed natural gas~~ RENEWABLE FUEL or traditional fuel. ~~or on either~~  
26 ~~liquefied petroleum gas or traditional fuel,~~ or a dual-fuel truck with a  
27 multi-fuel engine capable of running on both compressed natural gas and  
28 traditional fuel, ~~or on both liquefied petroleum gas and traditional fuel.~~

29 (g) "Category 4 A" means ~~compressed natural gas or liquefied~~  
30 ~~petroleum gas~~ RENEWABLE FUEL conversions certified by the United  
31 States environmental protection agency ~~For purposes of this paragraph~~  
32 ~~(g), "compressed natural gas or liquefied petroleum gas conversions"~~  
33 means INCLUDING a conversion to a truck that operates exclusively on  
34 ~~compressed natural gas or on liquefied petroleum gas~~ RENEWABLE FUEL,  
35 or a bi-fuel truck with a multi-fuel engine capable of running on either  
36 ~~compressed natural gas~~ RENEWABLE FUEL or traditional fuel. ~~or on either~~  
37 ~~liquefied petroleum gas or traditional fuel,~~ or a dual-fuel truck with a  
38 multi-fuel engine capable of running on both compressed natural gas and  
39 traditional fuel, ~~or on both liquefied petroleum gas and traditional fuel.~~

40 (r.5) "Financing entity" means the entity that finances the  
41 purchase or lease of a ~~category 4, category 4 A, category 4 B, category 4~~  
42 ~~C, category 7, category 7 A, or category 9~~ vehicle eligible for a credit  
43 allowed by this section.

1 (bb.7) "RENEWABLE FUEL" MEANS:  
2 (I) COMPRESSED NATURAL GAS, LIQUEFIED NATURAL GAS, OR  
3 LIQUEFIED PETROLEUM GAS FROM A PRODUCTION SOURCE THAT IS  
4 ELIGIBLE FOR A RENEWABLE IDENTIFICATION NUMBER PURSUANT TO THE  
5 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY'S RENEWABLE  
6 FUEL STANDARDS PROGRAM ESTABLISHED UNDER 40 C.F.R. PART 80  
7 SUBPART M, AS AMENDED; OR  
8 (II) RECOVERED METHANE, AS DEFINED IN SECTION 25-7.5-102  
9 (20).  
10 (ee) (II) "Truck", for tax years commencing on or after January 1,  
11 2017, has the same meaning as in section 42-1-102 (108), ~~C.R.S.~~, and  
12 includes ~~a hybrid truck~~, a light-duty passenger motor vehicle, and a bus,  
13 has a maximum speed capability of at least fifty-five miles per hour, is  
14 licensed or subject to licensing for operation upon the highways of the  
15 state, is new, not used, unless the truck is being converted, and is either:  
16 (2.7) **Category 4 lease or purchase.** (a) (I) WITH RESPECT TO  
17 INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2024, BUT  
18 BEFORE JANUARY 1, 2029, FOR EACH PURCHASE OR LEASE OF A CATEGORY  
19 4 LIGHT-DUTY TRUCK SOLD OR LEASED DURING THE TAX YEAR, THERE IS  
20 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS  
21 ARTICLE 22 IN AN AMOUNT AS FOLLOWS:  
22 (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
23 1, 2024, BUT BEFORE JANUARY 1, 2026, THREE THOUSAND FIVE HUNDRED  
24 DOLLARS; AND  
25 (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
26 1, 2026, BUT BEFORE JANUARY 1, 2029, ONE THOUSAND FIVE HUNDRED  
27 DOLLARS;  
28 (II) WITH RESPECT TO INCOME TAX YEARS COMMENCING ON OR  
29 AFTER JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2029, FOR EACH  
30 PURCHASE OR LEASE OF A CATEGORY 4 MEDIUM-DUTY TRUCK SOLD OR  
31 LEASED DURING THE TAX YEAR, THERE IS ALLOWED TO ANY PERSON A  
32 CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT AS  
33 FOLLOWS:  
34 (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
35 1, 2024, BUT BEFORE JANUARY 1, 2026, SEVEN THOUSAND DOLLARS; AND  
36 (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
37 1, 2026, BUT BEFORE JANUARY 1, 2029, FOUR THOUSAND FIVE HUNDRED  
38 DOLLARS; AND  
39 (III) WITH RESPECT TO INCOME TAX YEARS COMMENCING ON OR  
40 AFTER JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2029, FOR EACH  
41 PURCHASE OR LEASE OF A CATEGORY 4 HEAVY-DUTY TRUCK SOLD OR  
42 LEASED DURING THE TAX YEAR, THERE IS ALLOWED TO ANY PERSON A  
43 CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE 22 IN AN AMOUNT AS

1   FOLLOWS:

2           (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
3   1, 2024, BUT BEFORE JANUARY 1, 2026, TWELVE THOUSAND DOLLARS;  
4   AND

5           (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
6   1, 2026, BUT BEFORE JANUARY 1, 2029, EIGHT THOUSAND DOLLARS.

7           **(3.7) Category 4 A conversion.** (a) (I) WITH RESPECT TO THE  
8   INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2024, BUT  
9   BEFORE JANUARY 1, 2029, THERE IS ALLOWED TO ANY PERSON A CREDIT  
10  AGAINST THE TAX IMPOSED BY THIS ARTICLE IN AN AMOUNT EQUAL TO THE  
11  ACTUAL COST INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR  
12  THE CONVERSION OF A LIGHT-DUTY TRADITIONAL FUEL TRUCK TO A  
13  CATEGORY 4 A LIGHT-DUTY TRUCK, NOT TO EXCEED:

14           (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
15  1, 2024, BUT BEFORE JANUARY 1, 2026, THREE THOUSAND FIVE HUNDRED  
16  DOLLARS; AND

17           (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
18  1, 2026, BUT BEFORE JANUARY 1, 2029, ONE THOUSAND FIVE HUNDRED  
19  DOLLARS;

20           (II) WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON  
21  OR AFTER JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2029, THERE IS  
22  ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS  
23  ARTICLE IN AN AMOUNT EQUAL TO THE ACTUAL COST INCURRED BY THE  
24  TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A  
25  MEDIUM-DUTY TRADITIONAL FUEL TRUCK TO A CATEGORY 4 A  
26  MEDIUM-DUTY TRUCK, NOT TO EXCEED:

27           (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
28  1, 2024, BUT BEFORE JANUARY 1, 2026, SEVEN THOUSAND DOLLARS; AND

29           (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
30  1, 2026, BUT BEFORE JANUARY 1, 2029, FOUR THOUSAND FIVE HUNDRED  
31  DOLLARS; AND

32           (III) WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON  
33  OR AFTER JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2029, THERE IS  
34  ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS  
35  ARTICLE IN AN AMOUNT EQUAL TO THE ACTUAL COST INCURRED BY THE  
36  TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A  
37  HEAVY-DUTY TRADITIONAL FUEL TRUCK TO A CATEGORY 4 A  
38  HEAVY-DUTY TRUCK, NOT TO EXCEED:

39           (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
40  1, 2024, BUT BEFORE JANUARY 1, 2026, TWELVE THOUSAND DOLLARS;  
41  AND

42           (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
43  1, 2026, BUT BEFORE JANUARY 1, 2029, EIGHT THOUSAND DOLLARS.

1           **(9.7) Category 7 A conversion.** (a) (I) WITH RESPECT TO THE  
2 INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2024, BUT  
3 BEFORE JANUARY 1, 2029, THERE IS ALLOWED TO ANY PERSON A CREDIT  
4 AGAINST THE TAX IMPOSED BY THIS ARTICLE IN AN AMOUNT EQUAL TO THE  
5 ACTUAL COST INCURRED BY THE TAXPAYER DURING THE TAX YEAR FOR  
6 THE CONVERSION OF A LIGHT-DUTY TRADITIONAL FUEL TRUCK TO A  
7 CATEGORY 7 A LIGHT-DUTY TRUCK, NOT TO EXCEED:

8           (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
9 1, 2024, BUT BEFORE JANUARY 1, 2026, THREE THOUSAND FIVE HUNDRED  
10 DOLLARS; AND

11           (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
12 1, 2026, BUT BEFORE JANUARY 1, 2029, ONE THOUSAND FIVE HUNDRED  
13 DOLLARS;

14           (II) WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON  
15 OR AFTER JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2029, THERE IS  
16 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS  
17 ARTICLE IN AN AMOUNT EQUAL TO THE ACTUAL COST INCURRED BY THE  
18 TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A  
19 MEDIUM-DUTY TRADITIONAL FUEL TRUCK TO A CATEGORY 7 A  
20 MEDIUM-DUTY TRUCK, NOT TO EXCEED:

21           (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
22 1, 2024, BUT BEFORE JANUARY 1, 2026, SEVEN THOUSAND DOLLARS; AND

23           (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
24 1, 2026, BUT BEFORE JANUARY 1, 2029, FOUR THOUSAND FIVE HUNDRED  
25 DOLLARS; AND

26           (III) WITH RESPECT TO THE INCOME TAX YEARS COMMENCING ON  
27 OR AFTER JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2029, THERE IS  
28 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS  
29 ARTICLE IN AN AMOUNT EQUAL TO THE ACTUAL COST INCURRED BY THE  
30 TAXPAYER DURING THE TAX YEAR FOR THE CONVERSION OF A  
31 HEAVY-DUTY TRADITIONAL FUEL TRUCK TO A CATEGORY 7 A  
32 HEAVY-DUTY TRUCK, NOT TO EXCEED:

33           (A) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
34 1, 2024, BUT BEFORE JANUARY 1, 2026, TWELVE THOUSAND DOLLARS;  
35 AND

36           (B) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
37 1, 2026, BUT BEFORE JANUARY 1, 2029, EIGHT THOUSAND DOLLARS.

38           (12) (a) A taxpayer claiming the credit authorized by this section  
39 shall not claim the credit in an amount that exceeds the incremental cost  
40 of the actual cost incurred for ~~the category 4, 4 A, 4 B, 4 C, 7, or 7 A~~ a  
41 CATEGORY 4 OR 7 truck or motor vehicle over the manufacturer's  
42 suggested retail price of a comparable traditional fuel truck or light-duty  
43 passenger motor vehicle.

1 (b) (I) FOR TAX YEARS BEGINNING ON OR AFTER JANUARY 1, 2024,  
2 THE CREDIT ALLOWED BY SUBSECTION (2.7) OF THIS SECTION FOR A  
3 CATEGORY 4 TRUCK AND THE CREDIT ALLOWED BY SUBSECTION (3.7) OF  
4 THIS SECTION FOR A CATEGORY 4 A TRUCK ARE SUBJECT TO RECAPTURE IN  
5 THE TAX YEAR OF PURCHASE OR CONVERSION, OR ANY OF THE FOLLOWING  
6 FOUR TAX YEARS OR UNTIL THE CATEGORY 4 OR 4 A TRUCK IS SOLD, IF THE  
7 RENEWABLE FUEL ENERGY AND ANY ELECTRICITY OR HYDROGEN USED BY  
8 THE PURCHASER TO POWER THE TRUCK COMPRISES LESS THAN EIGHTY  
9 PERCENT OF THE TOTAL ENERGY USED TO POWER THE TRUCK DURING THE  
10 TAX YEAR. IF A CREDIT IS RECAPTURED UNDER THIS SUBSECTION  
11 (12)(b)(I), THE PURCHASER SHALL ADD THE FULL NOMINAL AMOUNT OF  
12 THE CREDIT ALLOWED UNDER SUBSECTION (2.7) OR (3.7) OF THIS SECTION  
13 FOR THE TAX YEAR OF THE PURCHASE OR CONVERSION TO THE  
14 PURCHASER'S RETURN FOR THE RECAPTURE YEAR REGARDLESS OF  
15 WHETHER THE CREDIT WAS ASSIGNED PURSUANT TO SUBSECTION (13.7) OF  
16 THIS SECTION.

17 (II) FOR TAX YEARS BEGINNING ON OR AFTER JANUARY 1, 2024,  
18 THE CREDIT ALLOWED BY SUBSECTION (9.7) OF THIS SECTION FOR A  
19 CATEGORY 7 A TRUCK IS SUBJECT TO RECAPTURE IN THE TAX YEAR OF  
20 CONVERSION, OR ANY OF THE FOLLOWING FOUR TAX YEARS OR UNTIL THE  
21 CATEGORY 7 A TRUCK IS SOLD, IF THE ELECTRIC ENERGY AND ANY  
22 RENEWABLE FUEL OR HYDROGEN USED BY THE PURCHASER TO POWER THE  
23 TRUCK COMPRISES LESS THAN EIGHTY PERCENT OF THE TOTAL ENERGY  
24 USED TO POWER THE TRUCK DURING THE TAX YEAR. IF A CREDIT IS  
25 RECAPTURED UNDER THIS SUBSECTION (12)(b)(II), THE PURCHASER SHALL  
26 ADD THE FULL NOMINAL AMOUNT OF THE CREDIT ALLOWED UNDER  
27 SUBSECTION (9.7) OF THIS SECTION FOR THE TAX YEAR OF THE  
28 CONVERSION TO THE PURCHASER'S RETURN FOR THE RECAPTURE YEAR.

29 (15) No more than one tax credit shall be granted pursuant to this  
30 section and ~~sections 39-22-516.5 and~~ SECTION 39-22-516.7 for any  
31 individual motor vehicle or truck.

32 **SECTION 10.** In Colorado Revised Statutes, 39-22-516.8,  
33 **amend as added by House Bill 23-1272** (1.5)(a), (13.7)(a) introductory  
34 portion, and (13.7)(e) as follows:

35 **39-22-516.8. Tax credit for innovative trucks - definitions -**  
36 **repeal.** (1.5) (a) In accordance with section 39-21-304 (1), which  
37 requires each bill that extends an expiring tax expenditure to include a tax  
38 preference performance statement as part of a statutory legislative  
39 declaration, the general assembly finds and declares that the purpose of  
40 the tax credit provided in this section is to induce certain designated  
41 behavior by ~~taxpayers, specifically the sale and purchase or lease of~~  
42 ~~electric medium-duty, or heavy-duty trucks,~~ TAXPAYERS by providing a  
43 reduction in income tax liability to the purchaser or lessee or to a

1 financing entity OR MOTOR VEHICLE DEALER in connection with the sale  
2 and purchase or lease of an electric light-duty, medium-duty, or  
3 heavy-duty truck, OR THE SALE, LEASE, OR CONVERSION OF CLEAN  
4 TRUCKS.

5 (13.7) (a) A purchaser may assign the tax credit allowed in this  
6 section for the purchase or lease of a CATEGORY 4, CATEGORY 4A,  
7 category 7, OR CATEGORY 7A vehicle sold or leased on or after January  
8 1, 2024, to a financing entity or to a motor vehicle dealer as follows:

9 (e) For the purchase or lease of a CATEGORY 4, CATEGORY 4A,  
10 category 7, OR CATEGORY 7A vehicle completed on or after January 1,  
11 2024, the financing entity or the motor vehicle dealer shall electronically  
12 submit a report containing the information contained in the election  
13 statement described in subsection (13.7)(c) of this section to the  
14 department on a quarterly basis in a form and manner required by the  
15 department.

16 **SECTION 11.** In Colorado Revised Statutes, 39-22-516.8,  
17 **amend** (13.5)(a) introductory portion and (18); and **add** (1)(bb.1),  
18 (1)(q.5), (1.5), (13.5)(h), and (13.7) as follows:

19 **39-22-516.8. Tax credit for innovative trucks - definitions -**  
20 **repeal.** (1) As used in this section, unless the context otherwise requires:

21 (bb.1) "MOTOR VEHICLE DEALER" HAS THE SAME MEANING AS SET  
22 FORTH IN SECTION 44-20-102 (18).

23 (q.5) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

24 (1.5) (a) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH  
25 REQUIRES EACH BILL THAT EXTENDS AN EXPIRING TAX EXPENDITURE TO  
26 INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A  
27 STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS  
28 AND DECLARES THAT THE PURPOSE OF THE TAX CREDIT PROVIDED IN THIS  
29 SECTION IS TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS, BY  
30 PROVIDING A REDUCTION IN INCOME TAX LIABILITY TO THE PURCHASER OR  
31 LESSEE OR TO A FINANCING ENTITY OR MOTOR VEHICLE IN CONNECTION  
32 WITH THE SALE, LEASE, OR CONVERSION OF CLEAN TRUCKS.

33 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL  
34 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSE  
35 SPECIFIED IN SUBSECTION (1.5)(a) OF THIS SECTION BASED ON THE NUMBER  
36 AND VALUE OF CREDITS CLAIMED.

37 (13.5) (a) A purchaser may assign the tax credit allowed in this  
38 section for the purchase or lease of a category 4, category 4 A, category  
39 4 B, category 4 C, category 7, category 7 A, or category 9 vehicle  
40 completed on or after January 1, 2017, BUT BEFORE JANUARY 1, 2024, to  
41 a financing entity as follows:

42 (h) THIS SUBSECTION (13.5) IS REPEALED, EFFECTIVE DECEMBER  
43 31, 2028.

1 (13.7) (a) A PURCHASER MAY ASSIGN THE TAX CREDIT ALLOWED  
2 IN SUBSECTIONS (2.7), (3.7), AND (9.7) OF THIS SECTION FOR THE  
3 PURCHASE OR LEASE OF A CATEGORY 4, CATEGORY 4A, OR CATEGORY 7A  
4 VEHICLE MADE AND DELIVERED ON OR AFTER JANUARY 1, 2024, TO A  
5 FINANCING ENTITY OR TO A MOTOR VEHICLE DEALER AS FOLLOWS:  
6 (I) THE ASSIGNMENT TO THE FINANCING ENTITY OR THE MOTOR  
7 VEHICLE DEALER MUST BE COMPLETED AT THE TIME OF PURCHASE OR  
8 LEASE BY ENTERING INTO AN ELECTION STATEMENT AS SET FORTH IN  
9 SUBSECTION (13.7)(c) OF THIS SECTION;  
10 (II) THE PURCHASER MUST TITLE AND REGISTER THE VEHICLE IN  
11 THE STATE OR REGISTER THE VEHICLE UNDER THE INTERNATIONAL  
12 REGISTRATION PLAN AND BASE PLATE THE VEHICLE IN THE STATE AS  
13 REQUIRED BY STATE LAW;  
14 (III) THE PURCHASER MUST ASSIGN THE TAX CREDIT TO THE  
15 FINANCING ENTITY OR THE MOTOR VEHICLE DEALER AND FORFEIT THE  
16 RIGHT TO CLAIM THE TAX CREDIT ON THE PURCHASER'S TAX RETURN IN  
17 EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION; AND  
18 (IV) THE FINANCING ENTITY OR THE MOTOR VEHICLE DEALER  
19 SHALL COMPENSATE THE PURCHASER FOR THE FULL NOMINAL VALUE OF  
20 THE TAX CREDIT; EXCEPT THAT THE FINANCING ENTITY OR THE MOTOR  
21 VEHICLE DEALER MAY COLLECT AN ADMINISTRATIVE FEE NOT TO EXCEED  
22 TWO HUNDRED FIFTY DOLLARS FOR PROCESSING THE ASSIGNMENT. THE  
23 COMPENSATION PAID TO THE PURCHASER IS CONSIDERED A REFUND OF  
24 STATE TAXES AND IS NOT INCOME.  
25 (b) NOTWITHSTANDING SECTION 39-21-108 (3), IF A PURCHASER  
26 ASSIGNS THE TAX CREDIT TO A FINANCING ENTITY OR TO A MOTOR VEHICLE  
27 DEALER PURSUANT TO THIS SUBSECTION (13.7), THE FINANCING ENTITY OR  
28 THE MOTOR VEHICLE DEALER RECEIVES THE FULL AMOUNT OF THE TAX  
29 CREDIT THAT THE PURCHASER IS ALLOWED IN THIS SECTION. ANY UNPAID  
30 BALANCE OR UNPAID DEBT OF THE PURCHASER MAY NOT BE CREDITED  
31 FROM THE AMOUNT OF THE TAX CREDIT ALLOWED IN THIS SECTION.  
32 (c) TO COMPLETE THE TAX CREDIT ASSIGNMENT, THE PURCHASER  
33 AND THE FINANCING ENTITY OR THE MOTOR VEHICLE DEALER SHALL ENTER  
34 INTO AN ELECTION STATEMENT THAT:  
35 (I) IDENTIFIES THE VEHICLE IDENTIFICATION NUMBER OF THE  
36 CATEGORY 7 VEHICLE FOR WHICH A CREDIT IS ALLOWED IN THIS SECTION;  
37 (II) SPECIFIES THE VALUE OF THE CREDIT ALLOWED; AND  
38 (III) AFFIRMS THAT THE REQUIREMENTS SPECIFIED IN SUBSECTION  
39 (13.7)(a) OF THIS SECTION WERE MET.  
40 (d) THE FINANCING ENTITY OR THE MOTOR VEHICLE DEALER MAY  
41 AUTHORIZE AN AGENT OR A DESIGNEE TO SIGN THE ELECTION STATEMENT  
42 ON ITS BEHALF.  
43 (e) FOR THE PURCHASE OR LEASE OF A CATEGORY 4, CATEGORY

1 4A, OR CATEGORY 7A VEHICLE COMPLETED ON OR AFTER JANUARY 1,  
2 2024, THE FINANCING ENTITY OR THE MOTOR VEHICLE DEALER SHALL  
3 ELECTRONICALLY SUBMIT A REPORT CONTAINING THE INFORMATION  
4 CONTAINED IN THE ELECTION STATEMENT DESCRIBED IN SUBSECTION  
5 (13.7)(c) OF THIS SECTION TO THE DEPARTMENT ON A QUARTERLY BASIS  
6 IN A FORM AND MANNER REQUIRED BY THE DEPARTMENT.

7 (f) THE FINANCING ENTITY OR THE MOTOR VEHICLE DEALER SHALL  
8 MAINTAIN THE ELECTION STATEMENT DESCRIBED IN SUBSECTION (13.7)(c)  
9 OF THIS SECTION AND PRODUCE IT UPON REQUEST OR AUDIT BY THE  
10 DEPARTMENT.

11 (g) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
12 1, 2025, THE FINANCING ENTITY OR MOTOR VEHICLE DEALER MAY ELECT  
13 ADVANCE PAYMENTS OF CREDITS ASSIGNED UNDER THIS SUBSECTION  
14 (13.7) AS SPECIFIED IN SECTION 39-22-629.

15 (18) This section is repealed, effective ~~December 31, 2030~~  
16 DECEMBER 31, 2037.

17 **SECTION 12.** In Colorado Revised Statutes, 39-22-516.8, **repeal**  
18 (1)(b), (1)(c), (1)(d), (1)(h), (1)(i), (1)(j), (1)(k), (1)(n), (1)(o), (1)(p),  
19 (1)(q), (1)(u), (1)(v), (1)(w), (1)(dd), (2), (2.3), (2.5), (3), (3.5), (4), (4.3),  
20 (4.5), (5), (5.5), (6), (7), (8), (9), (9.5), (10), (11), (11.5), (11.6), and (14).

21 **SECTION 13.** In Colorado Revised Statutes, **add** 39-22-629 as  
22 follows:

23 **39-22-629. Advance payments of income tax credits -**  
24 **definitions.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT  
25 OTHERWISE REQUIRES:

26 (a) "APPLICABLE CREDIT" MEANS THE CREDIT ALLOWED IN  
27 SECTION 39-22-516.8.

28 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

29 (c) "TAXPAYER" MEANS THE PERSON AUTHORIZED TO ELECT  
30 ADVANCE PAYMENTS OF AN APPLICABLE CREDIT.

31 (2) A TAXPAYER MAY ELECT TO RECEIVE ADVANCE PAYMENTS FOR  
32 APPLICABLE CREDITS AS FOLLOWS:

33 (a) THE TAXPAYER SHALL ANNUALLY REGISTER WITH THE  
34 DEPARTMENT FOR ADVANCE PAYMENTS OF ONE OR MORE APPLICABLE  
35 CREDITS NO LATER THAN THIRTY DAYS BEFORE THE DUE DATE OF THE  
36 FIRST QUARTERLY REPORT FILED BY THE TAXPAYER UNDER SUBSECTION  
37 (2)(b) OF THIS SECTION, IN A FORM AND MANNER PRESCRIBED BY THE  
38 DEPARTMENT; AND

39 (b) (I) THE TAXPAYER SHALL ELECTRONICALLY FILE QUARTERLY  
40 REPORTS IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT NO  
41 LATER THAN APRIL 15, JUNE 15, SEPTEMBER 15, AND DECEMBER 15 OF  
42 EACH TAX YEAR FOR WHICH THE TAXPAYER REGISTERS FOR ADVANCE  
43 PAYMENTS; EXCEPT THAT:

1 (A) FOR A TAXPAYER WITH A TAXABLE YEAR BEGINNING ON ANY  
2 DATE OTHER THAN JANUARY 1, THE CORRESPONDING MONTHS SHALL BE  
3 SUBSTITUTED FOR THE MONTHS SPECIFIED IN SUBSECTION (2)(b)(I) OF THIS  
4 SECTION.

5 (B) FOR A TAXPAYER WITH A TAXABLE YEAR LESS THAN TWELVE  
6 MONTHS, THE DUE DATES SHALL BE DETERMINED IN ACCORDANCE WITH  
7 RULES PRESCRIBED BY THE DEPARTMENT.

8 (II) THE QUARTERLY REPORT MUST INCLUDE THE CUMULATIVE  
9 TOTAL OF APPLICABLE CREDIT THAT THE TAXPAYER IS SEEKING ADVANCE  
10 PAYMENT FOR IN THE QUARTER AND ANY INFORMATION REQUIRED TO BE  
11 INCLUDED IN THE QUARTERLY REPORT AS SPECIFIED IN THE STATUTE  
12 UNDER WHICH THE APPLICABLE CREDIT IS ALLOWED.

13 (3) AFTER RECEIPT OF A COMPLETED QUARTERLY REPORT, THE  
14 DEPARTMENT SHALL MAKE AN ADVANCE PAYMENT OF THE APPLICABLE  
15 CREDIT TO THE TAXPAYER IN THE FORM OF A REFUND OF THE TAXPAYER'S  
16 OVERPAYMENT OF TAX IMPOSED UNDER THIS ARTICLE 22; EXCEPT THAT  
17 THE ADVANCE PAYMENT DOES NOT ACCRUE INTEREST PURSUANT TO  
18 SECTION 39-21-108 (2) BUT IS SUBJECT TO INTERCEPT FOR THE TAXPAYER'S  
19 UNPAID BALANCE OR UNPAID DEBTS, IF ANY, PURSUANT TO SECTION  
20 39-21-108 (3).

21 (4) THE TAXPAYER SHALL REDUCE THE AMOUNT OF AN APPLICABLE  
22 CREDIT CLAIMED BY THE TAXPAYER FOR ANY TAXABLE YEAR BY THE  
23 AGGREGATE AMOUNT OF ADVANCE PAYMENTS THAT THE TAXPAYER  
24 CLAIMED FOR THE APPLICABLE CREDIT DURING THE TAXABLE YEAR, AND:

25 (a) IF THE AGGREGATE AMOUNT OF ADVANCE PAYMENTS CLAIMED  
26 FOR THE APPLICABLE TAX YEAR EXCEEDS THE AMOUNT OF THE CREDIT  
27 ALLOWED TO THE TAXPAYER, THE AMOUNT OF THE EXCESS IS SUBJECT TO  
28 RECAPTURE; OR

29 (b) IF THE AGGREGATE AMOUNT OF ADVANCE PAYMENTS FOR THE  
30 APPLICABLE TAX YEAR IS LESS THAN THE AMOUNT OF THE CREDIT  
31 ALLOWED TO THE TAXPAYER, THE AMOUNT OF THE DIFFERENCE MAY BE  
32 CLAIMED BY THE TAXPAYER AS A CREDIT IN THE TAXABLE YEAR IN THE  
33 SAME MANNER AS THE APPLICABLE CREDIT.

34 (5) IN THE CASE OF A PARTNERSHIP OR S CORPORATION ELECTING  
35 ADVANCE PAYMENTS UNDER THIS SECTION, THE PARTNERSHIP OR S  
36 CORPORATION SHALL MAKE THE ELECTION AND THE DEPARTMENT SHALL  
37 MAKE THE ADVANCE PAYMENTS TO THE PARTNERSHIP OR S CORPORATION.  
38 IN THE EVENT OF AN EXCESS AMOUNT PURSUANT TO SUBSECTION (4)(a) OF  
39 THIS SECTION, THE PARTNERSHIP OR S CORPORATION SHALL PAY THE  
40 AMOUNT OF THE EXCESS ON BEHALF OF THE PARTNERS OR SHAREHOLDERS.  
41 IN THE EVENT OF AN AMOUNT OF DIFFERENCE PURSUANT TO SUBSECTION  
42 (4)(b) OF THIS SECTION, THE DEPARTMENT SHALL REFUND THE AMOUNT OF  
43 THE DIFFERENCE TO THE PARTNERSHIP OR S CORPORATION."

- 1 Renumber succeeding sections accordingly.
- 2 Page 34, strike lines 10 through 27.
- 3 Strike page 35.
- 4 Page 36, strike lines 1 through 14.
- 5 Renumber succeeding sections accordingly.
- 6 Page 46, line 18, strike "This" and substitute "(1) Except as provided in  
7 subsections (2) and (3) of this section, this".
- 8 Page 46, after line 26 insert:
  - 9 "(2) Section 10 of this act takes effect only if House Bill 23-1272  
10 becomes law, in which case section 10 of this act takes effect on the  
11 effective date of this act or House Bill 23-1272, whichever is later.
  - 12 (3) Sections 11 and 13 of this act take effect only if House Bill  
13 23-1272 does not become law."
- 14 After "NEWER" insert "ELIGIBLE" on: **Page 11**, line 18; **Page 15**, lines 21  
15 and 25; and **Page 16**, lines 6, 10, and 19.
- 16 Strike "DIVISION." and substitute "DEPARTMENT." on: **Page 17**, line 1;  
17 **Page 19**, line 19; **Page 20**, line 20; and **Page 21**, line 9.
- 18 Strike "DIVISION" and substitute "DEPARTMENT" on: **Page 17**, lines 2, 9,  
19 and 25; **Page 18**, lines 11 and 20; and **Page 19**, lines 2, 22, and 27.
- 20 Strike "VEHICLES;" and substitute "NEWER ELIGIBLE TRUCKS;" on: **Page**  
21 **19**, lines 7, 8, and 9.
- 22 Strike "VEHICLE;" and substitute "NEWER ELIGIBLE TRUCK;" on: **Page 19**,  
23 lines 10 and 11.

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