

First Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

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LLS NO. 09-0622.01 Esther van Mourik

HOUSE BILL

HOUSE SPONSORSHIP

McFadyen and Gardner C.,

SENATE SPONSORSHIP

(None),

SHORT TITLE: "Economic Dev For Trucking Industry In CO"

A BILL FOR AN ACT

101 CONCERNING ECONOMIC DEVELOPMENT FOR THE TRUCKING INDUSTRY
102 IN COLORADO.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Allows a taxpayer to claim a refund of a percentage of all state sales and use taxes paid on the sale, storage, or use of a motor vehicle, truck, truck tractor, trailer, or semitrailer designated as class A personal property. Specifies that the amount of the refund will be calculated by the division of motor vehicles, and establishes the method for calculating the refund.

For specified income tax years, for purposes of the enterprise zone

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

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income tax credit for investments in certain property, establishes that a commercial truck, truck tractor, tractor, or semitrailer with a vehicle weight rating of 16,000 pounds or greater that is model year 2008 or newer, and any parts associated with the vehicle at the time of purchase, shall be deemed to be used solely and exclusively in an enterprise zone and therefore considered qualified property for purposes of the income tax credit if:

- The vehicle is licensed and registered within the state; and
- The vehicle is predominantly housed and based at the taxpayer's business trucking facility within an enterprise zone for the 12-month period following its purchase.

Specifies that a taxpayer may claim an income tax credit in an amount equal to specified percentages of the total qualified investment in a truck, truck tractor, tractor, or semitrailer. Specifies that the credit shall be phased in over 3 years.

Creates the green truck grant program to be administered by the governor's energy office to provide:

- Reimbursements of a specified percentage, not to exceed a specified amount, of the overall cost incurred by a qualified recipient in purchasing or installing specific fuel-efficient technologies and emission-control devices to reduce fuel consumption and emissions of greenhouse gases and other harmful air pollutants from trucks. Specifies a maximum amount of reimbursements to be granted in a fiscal year.
- Grants up to a specified amount per qualified recipient for the retirement and scrapping of older model year trucks that meet certain requirements. Specifies a maximum amount of grants to be awarded in a fiscal year.

Creates the green truck grant program fund.

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

2 **SECTION 1.** Part 1 of article 26 of title 39, Colorado Revised
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
4 read:

5 **39-26-113.5. Refund of state sales taxes for vehicles used in**
6 **interstate commerce.** (1) FOR THE CALENDAR YEAR COMMENCING ON
7 JANUARY 1, 2009, AND FOR EACH CALENDAR YEAR THEREAFTER, A
8 TAXPAYER MAY CLAIM A REFUND OF A PERCENTAGE OF ALL STATE SALES

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1 AND USE TAXES PAID BY THE TAXPAYER PURSUANT TO THIS PART 1 AND
2 PART 2 OF THIS ARTICLE ON THE SALE, STORAGE, OR USE OF A MOTOR
3 VEHICLE, TRUCK, TRUCK TRACTOR, TRAILER, OR SEMITRAILER DESIGNATED
4 AS CLASS A PERSONAL PROPERTY AS SPECIFIED IN SECTION 42-3-106 (2)
5 (a), C.R.S. THE PERCENTAGE OF THE REFUND SHALL BE CALCULATED BY
6 THE DIVISION OF MOTOR VEHICLES IN THE DEPARTMENT OF REVENUE IN
7 THE SAME MANNER AS THE DIVISION CALCULATES THE PRORATION OF THE
8 ANNUAL SPECIFIC OWNERSHIP TAX PAYABLE ON CLASS A PERSONAL
9 PROPERTY AS SPECIFIED IN SECTION 42-3-107 (4), C.R.S.

10 (2) TO CLAIM A REFUND ALLOWED BY SUBSECTION (1) OF THIS
11 SECTION, A TAXPAYER SHALL SUBMIT A REFUND APPLICATION TO THE
12 DEPARTMENT OF REVENUE ON A FORM PROVIDED BY THE DEPARTMENT.
13 THE APPLICATION SHALL BE ACCOMPANIED BY PROOF OF PAYMENT OF
14 STATE SALES AND USE TAXES PAID BY THE TAXPAYER. THE APPLICATION
15 SHALL ALSO INCLUDE ANY ADDITIONAL INFORMATION THAT THE
16 DEPARTMENT OF REVENUE MAY REQUIRE BY RULE.

17 **SECTION 2.** 39-30-104 (1), Colorado Revised Statutes, is
18 amended to read:

19 **39-30-104. Credit against tax - investment in certain property**
20 **- repeal.** (1) (a) In lieu of any credit allowable under section
21 39-22-507.5, there shall be allowed to any person as a credit against the
22 tax imposed by article 22 of this title, for income tax years commencing
23 on or after January 1, 1986, an amount equal to the total of three percent
24 of the total qualified investment, as determined under section 46 (c) (2)
25 of the federal "Internal Revenue Code of 1986", as amended, in such
26 taxable year in qualified property as defined in section 48 of the internal
27 revenue code to the extent that such investment is in property which THAT

1 is used solely and exclusively in an enterprise zone for at least one year.
2 The references in this subsection (1) to sections 46 (c) (2) and 48 of the
3 internal revenue code mean sections 46 (c) (2) and 48 of the internal
4 revenue code as they existed immediately prior to the enactment of the
5 federal "Revenue Reconciliation Act of 1990".

6 (b) (I) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
7 JANUARY 1, 2009, BUT BEFORE JANUARY 1, 2012, A COMMERCIAL TRUCK,
8 TRUCK TRACTOR, TRACTOR, OR SEMITRAILER WITH A GROSS VEHICLE
9 WEIGHT RATING OF SIXTEEN THOUSAND POUNDS OR GREATER THAT IS
10 MODEL YEAR 2008 OR NEWER, AS WELL AS ANY PARTS ASSOCIATED WITH
11 THE VEHICLE AT THE TIME OF PURCHASE, SHALL BE DEEMED TO BE USED
12 SOLELY AND EXCLUSIVELY IN AN ENTERPRISE ZONE IF IT IS LICENSED AND
13 REGISTERED WITHIN THE STATE AND PREDOMINANTLY HOUSED AND BASED
14 AT THE TAXPAYER'S BUSINESS TRUCKING FACILITY WITHIN AN ENTERPRISE
15 ZONE FOR THE TWELVE-MONTH PERIOD FOLLOWING ITS PURCHASE.

16 (II) THE INCOME TAX CREDIT FOR A QUALIFIED INVESTMENT IN A
17 COMMERCIAL TRUCK, TRUCK TRACTOR, TRACTOR, OR SEMITRAILER WITH
18 A GROSS VEHICLE WEIGHT RATING OF SIXTEEN THOUSAND POUNDS OR
19 GREATER THAT IS MODEL YEAR 2008 OR NEWER, AS WELL AS ANY PARTS
20 ASSOCIATED WITH THE VEHICLE AT THE TIME OF PURCHASE, SHALL BE
21 ALLOWED AS FOLLOWS:

22 (A) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
23 2009, AN AMOUNT EQUAL TO ONE PERCENT OF THE TOTAL QUALIFIED
24 INVESTMENT;

25 (B) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
26 2010, AN AMOUNT EQUAL TO TWO PERCENT OF THE TOTAL QUALIFIED
27 INVESTMENT; AND

1 (C) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
2 2011, AN AMOUNT EQUAL TO THREE PERCENT OF THE TOTAL QUALIFIED
3 INVESTMENT.

4 (III) FOR PURPOSES OF THIS PARAGRAPH (b), "FACILITY" MEANS
5 ANY FACTORY, MILL, PLANT, REFINERY, WAREHOUSE, FEEDLOT, BUILDING,
6 OR COMPLEX OF BUILDINGS LOCATED WITHIN THE STATE, INCLUDING THE
7 LAND ON WHICH SUCH FACILITY IS LOCATED AND ALL MACHINERY,
8 EQUIPMENT, AND OTHER REAL AND TANGIBLE PERSONAL PROPERTY
9 LOCATED AT OR WITHIN SUCH FACILITY AND USED IN CONNECTION WITH
10 THE OPERATION OF SUCH FACILITY, WHICH FACILITY THE TAXPAYER OWNS,
11 RENTS, OR LEASES IN THE BUSINESS'S NAME AT WHICH CONTINUOUS AND
12 ONGOING OPERATIONAL ACTIVITIES OF THE BUSINESS ARE MAINTAINED
13 AND AT WHICH AT LEAST ONE FULL-TIME EMPLOYEE OF THE BUSINESS IS
14 EMPLOYED.

15 (IV) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JANUARY 1,
16 2013.

17 **SECTION 3.** Article 1 of title 42, Colorado Revised Statutes, is
18 amended BY THE ADDITION OF A NEW PART to read:

19 PART 3

20 GREEN TRUCK GRANT PROGRAM

21 **42-1-301. Short title.** THIS PART 3 SHALL BE KNOWN AND MAY BE
22 CITED AS THE "GREEN TRUCK GRANT PROGRAM ACT".

23 **42-1-302. Legislative declaration.** (1) THE GENERAL ASSEMBLY
24 HEREBY FINDS AND DECLARES THAT:

25 (a) IT IS COMMON FOR TRUCK DRIVERS TO RUN THEIR ENGINES TO
26 STAY WARM OR COOL IN THEIR VEHICLES WHILE RESTING AFTER LONG
27 HAULS. THE GENERAL ASSEMBLY FINDS THAT DRIVER COMFORT IS

1 ESSENTIAL TO THE JOB.

2 (b) LONG-DURATION IDLING IS COSTLY TO THE DRIVER, THE FLEET
3 OWNER, AND THE ENVIRONMENT. SOME SURVEYS SAY THAT TRUCKS IDLE
4 ANYWHERE FROM SIX TO EIGHT HOURS A DAY FOR AS MANY AS THREE
5 HUNDRED DAYS EACH YEAR. DEPENDING ON FUEL PRICES, THIS CAN COST
6 SIX THOUSAND DOLLARS OR MORE PER YEAR IN FUEL COSTS PER TRUCK.

7 (c) LONG-DURATION IDLING OF TRUCK ENGINES ANNUALLY
8 CONSUMES OVER ONE BILLION GALLONS OF DIESEL FUEL AND ANNUALLY
9 EMITS ELEVEN MILLION TONS OF CARBON DIOXIDE, TWO HUNDRED
10 THOUSAND TONS OF OXIDES OF NITROGEN, AND FIVE THOUSAND TONS OF
11 PARTICULATE MATTER INTO THE AIR. IDLING CAN INCREASE ENGINE
12 MAINTENANCE COSTS, SHORTEN ENGINE LIFE, ADVERSELY AFFECT DRIVER
13 WELL-BEING, AND CREATE ELEVATED NOISE LEVELS.

14 (d) ALTERNATIVES TO LONG-DURATION IDLING EXIST AND A
15 GRANT PROGRAM TO HELP TRUCK OWNERS INSTALL SUCH ALTERNATIVES
16 ON THEIR TRUCKS IS IN THE INTEREST OF THE STATE'S ENVIRONMENT; AND

17 (e) BETTER FUEL ECONOMY AND A CLEANER RIDE WILL GIVE ALL
18 CARRIERS A SIGNIFICANT RETURN ON THEIR INVESTMENT.

19 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

20 (a) TRUCKS THAT ARE TWENTY YEARS OLD OR OLDER EMIT SOME
21 OF THE HIGHEST LEVELS OF POLLUTANTS INTO THE AIR AND CONSUME
22 MORE DIESEL FUEL; AND

23 (b) A GRANT PROGRAM TO ENCOURAGE THE RETIREMENT AND
24 SCRAPPING OF OLDER TRUCKS IS IN THE INTEREST OF THE STATE'S
25 ENVIRONMENT.

26 **42-1-303. Definitions.** AS USED IN THIS PART 3, UNLESS THE
27 CONTEXT OTHERWISE REQUIRES:

1 (1) "GOVERNOR'S ENERGY OFFICE" OR "OFFICE" MEANS THE
2 GOVERNOR'S ENERGY OFFICE CREATED IN SECTION 24-38.5-101, C.R.S.

3 (2) "GREEN TRUCK GRANT PROGRAM" OR "GRANT PROGRAM"
4 MEANS THE GREEN TRUCK GRANT PROGRAM CREATED IN SECTION
5 42-1-304 (1).

6 (3) "QUALIFIED RECIPIENT" MEANS AN OWNER OF A COMMERCIAL
7 TRUCK REGISTERED IN THE STATE FOR PURPOSES OF INTERSTATE OR
8 INTRASTATE COMMERCE.

9 (4) "TRUCK" MEANS A TRUCK, TRUCK TRACTOR, TRAILER, OR
10 SEMITRAILER REGISTERED IN THE STATE FOR PURPOSES OF INTERSTATE OR
11 INTRASTATE COMMERCE.

12 **42-1-304. Green truck grant program - created.** (1) THERE IS
13 HEREBY CREATED IN THE GOVERNOR'S ENERGY OFFICE THE GREEN TRUCK
14 GRANT PROGRAM TO PROVIDE GRANTS TO QUALIFIED RECIPIENTS FOR
15 REDUCTIONS IN TRUCK EMISSIONS AND ENERGY USAGE BY:

16 (a) (I) REIMBURSEMENTS OF TWENTY-FIVE PERCENT, NOT TO
17 EXCEED FIFTY THOUSAND DOLLARS TO A QUALIFIED RECIPIENT, OF THE
18 OVERALL COST INCURRED BY A QUALIFIED RECIPIENT IN PURCHASING OR
19 INSTALLING FUEL-EFFICIENT TECHNOLOGIES AND EMISSION-CONTROL
20 DEVICES APPROVED BY THE UNITED STATES ENVIRONMENTAL PROTECTION
21 AGENCY'S SMARTWAY TRANSPORT PARTNERSHIP PROGRAM, OR ANY
22 SUCCESSOR PROGRAM, TO REDUCE FUEL CONSUMPTION AND EMISSIONS OF
23 GREENHOUSE GASES AND OTHER HARMFUL AIR POLLUTANTS FROM
24 TRUCKS.

25 (II) THE TOTAL OF ALL REIMBURSEMENTS ISSUED BY THE OFFICE
26 TO QUALIFIED RECIPIENTS PURSUANT TO SUBPARAGRAPH (I) OF THIS
27 PARAGRAPH (a) SHALL NOT EXCEED FIVE HUNDRED THOUSAND DOLLARS

1 IN A FISCAL YEAR.

2 (b) (I) PROVIDING GRANTS OF UP TO FIVE THOUSAND DOLLARS PER
3 QUALIFIED RECIPIENT FOR THE RETIREMENT AND SCRAPPING OF A 1989 OR
4 OLDER MODEL YEAR TRUCK THAT IS:

5 (A) DOCUMENTED TO HAVE BEEN IN USE FOR AT LEAST TEN
6 THOUSAND MILES DURING THE CALENDAR YEAR PRECEDING THE
7 QUALIFIED RECIPIENT'S APPLICATION FOR THE GRANT; AND

8 (B) DONATED TO AN ESTABLISHED AUTO PARTS RECYCLER, AS
9 DEFINED IN SECTION 42-4-1802, OR A SCRAP METAL BUSINESS, THAT
10 OPERATES PURSUANT TO ALL LAWS, RULES, AND REGULATIONS OF THE
11 STATE AND THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
12 REGARDING RECYCLING.

13 (II) THE TOTAL OF ALL GRANTS ISSUED BY THE OFFICE TO
14 QUALIFIED RECIPIENTS PURSUANT TO SUBPARAGRAPH (I) OF THIS
15 PARAGRAPH (b) SHALL NOT EXCEED TWO HUNDRED FIFTY THOUSAND
16 DOLLARS IN A FISCAL YEAR.

17 (2) (a) THE OFFICE SHALL ADMINISTER THE GRANT PROGRAM AND
18 SHALL AWARD REIMBURSEMENTS AND GRANTS AS PROVIDED IN THIS PART
19 3. REIMBURSEMENTS AND GRANTS SHALL BE PAID OUT OF THE GREEN
20 TRUCK GRANT PROGRAM FUND CREATED IN SECTION 42-1-305.

21 (b) THE OFFICE SHALL ADOPT POLICIES FOR THE IMPLEMENTATION
22 OF THE GREEN TRUCK GRANT PROGRAM. AT A MINIMUM, THE POLICIES
23 SHALL SPECIFY THE PROCEDURES FOR APPLYING FOR A REIMBURSEMENT
24 OR GRANT, THE FORM OF THE REIMBURSEMENT OR GRANT APPLICATION,
25 AND THE INFORMATION TO BE PROVIDED BY THE APPLICANT.

26 (c) THE OFFICE SHALL REVIEW EACH REIMBURSEMENT OR GRANT
27 APPLICATION RECEIVED FROM A QUALIFIED RECIPIENT AND SHALL MAKE

1 A DETERMINATION AS TO WHETHER THE REIMBURSEMENT OR GRANT
2 SHOULD BE AWARDED AND, SUBJECT TO THE LIMITATIONS IN PARAGRAPHS
3 (a) AND (b) OF SUBSECTION (1) OF THIS SECTION, THE AMOUNT OF THE
4 REIMBURSEMENT OR GRANT. IF THE OFFICE DETERMINES AN APPLICATION
5 IS MISSING ANY INFORMATION REQUIRED TO BE INCLUDED WITH THE
6 APPLICATION, THE OFFICE MAY CONTACT THE APPLICANT TO OBTAIN THE
7 MISSING INFORMATION.

8 **42-1-305. Green truck grant program fund - created.**

9 (1) THERE IS HEREBY CREATED IN THE STATE TREASURY THE GREEN
10 TRUCK GRANT PROGRAM FUND, REFERRED TO IN THIS SECTION AS THE
11 "FUND". THE FUND SHALL BE ADMINISTERED BY THE OFFICE AND SHALL
12 CONSIST OF:

13 (a) ANY GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC
14 SOURCES THAT THE OFFICE IS HEREBY AUTHORIZED TO SEEK AND ACCEPT;
15 AND

16 (b) ANY MONEYS APPROPRIATED TO THE FUND BY THE GENERAL
17 ASSEMBLY.

18 (2) ALL MONEYS IN THE FUND SHALL BE CONTINUOUSLY
19 APPROPRIATED BY THE GENERAL ASSEMBLY TO THE OFFICE TO BE USED
20 FOR THE PURPOSES SET FORTH IN THIS PART 3. ALL MONEYS NOT
21 EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED ON THE
22 INVESTMENT OR DEPOSIT OF MONEYS IN THE FUND, SHALL REMAIN IN THE
23 FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR ANY OTHER FUND
24 AT THE END OF ANY FISCAL YEAR.

25 **SECTION 4.** 24-38.5-102 (1), Colorado Revised Statutes, is
26 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

27 **24-38.5-102. Governor's energy office - duties and powers.**

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1 (1) The governor's energy office shall:

2 (q) ADMINISTER THE GREEN TRUCK GRANT PROGRAM PURSUANT
3 TO PART 3 OF ARTICLE 1 OF TITLE 42, C.R.S.

4 **SECTION 5. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, and safety.