

Tax Credit for Deployment of Energy Efficiency and Emissions Reduction Technologies

Breakthrough energy efficiency and emissions reduction technologies are available right now that can provide immediate solutions to today's daunting and urgent energy challenges. These technologies can enhance U.S. energy security, job creation, economic growth, environmental protection, and national security. They have a vital role to play in a comprehensive national energy strategy and America's new "green" technology future.

An investment in the deployment of energy efficiency and emissions reduction technologies in motor vehicles can help Colorado and the nation achieve immediate fuel cost savings, cut harmful emissions, and create jobs.

A tax credit can help drive and rapidly accelerate deployment of qualified energy-saving technologies. Congress has used tax incentives to promote the use of important energy generation technologies such as wind and solar energy that deliver huge benefits, including energy conservation, emissions mitigation, and environmental protection. These credits have not only been instrumental in achieving these benefits but have also contributed to new job creation and economic growth in the rapidly developing new "green" energy sector. Because of their positive impacts, energy efficiency and emissions reduction technologies deserve equal treatment at the state level.

The American Recovery Reinvestment Act of 2009 provides important tax credits related to energy conservation, equipment upgrades for higher efficiency and green house gas mitigation. Within those tax credits, preference is given to initiatives where rapid deployment and job creation have a high probability of success.

To realize the full benefits of these technologies, HB-1331 proposes that a tax credit be granted for the retrofit installation of eligible energy efficiency and emissions-reduction technologies on fossil-fuel-powered vehicles that can increase fuel economy and reduce CO₂ emissions. The purpose of these tax credits is designed to stimulate consumer purchase of more fuel efficient and cleaner vehicles.

This credit will rapidly ramp up deployment of new green technology in the transportation sector that will permit less fuel-efficient legacy vehicles to be re-equipped with smarter, more fuel-efficient technology. This will lead to the development of a sustainable green growth industry for the State of Colorado.

It will create high-paying jobs and spur new manufacturing. Displaced highly trained workers need to be retrained to re-enter the workforce, and this tax incentive could facilitate this development.

The tax credit will benefit the trucking, farming, and general business communities of Colorado. Lower fuel consumption means higher profitability and competitiveness for businesses. This credit will foster rapid growth and needed relief to Colorado companies battered by unstable fuel costs and a constricted economy. For businesses and consumers alike, this savings will translate into increased disposable income available for new investment and consumer spending.

As a result of the technology deployment, Colorado will realize many environmental benefits such as cleaner air, a smaller CO₂ footprint, and decreased noxious gasses emitted by legacy vehicles that enjoy grandfathered higher pollution rates. Reduced emissions mean fewer airborne pollutants that contribute to asthma and other health risks and effects.

The cost of the tax credit will be substantially offset by the high-labor component required for manufacturing, driving and installing retrofit technologies, and the tax base they create. The rationale is that energy efficient and emissions reduction technologies in motor vehicles will be much more accepted over time, thereby negating the need for tax credits in the future.

Witness: John H. Held

SVP- Corporate Legal Counsel for Burt Hybrid Conversions, Inc. – Authorized Rocky Mountain converter for A 1,2,3 Hymotion, conversions of Toyota Prius's to plug-in hybrids by the addition of Lithium battery pack. Partner with Colorado-based Hybrids-Plus in (1) development of Toyota Prius's and Ford Escapes to plug-in capabilities, with ability to interface with Excel's Smart Grid in a vehicle-to-grid electric energy interchange, and (2) conversion of Ford trucks and vans to plug-in hybrid capabilities. Working with Fuel-Tek and Senator Romer on converting portions of Colorado's commercial fleets to CNG, including the filling infrastructure. Authorized dealer in Rocky Mountain Region for Azure Dynamics line of gas/electric hybrid commercial trucks. Burt is also the Rocky Mountain dealer for Xtreme Green Products, which is developing revolutionary, environmentally sound, electric powered land- and watercraft including jet boards, personal and police mobility vehicles, motor scooters, motorcycles, ATVs and snowmobiles.

Chairman of the Board, the Clean Spark Renewable Energy Business Incubator, in collaboration with Department of Commerce, NREL, major Colorado colleges and universities and private industry to develop, finance and commercialize various renewable energy technologies.