

**First Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 09-0862.01 Esther van Mourik

**HOUSE BILL 09-1331**

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**HOUSE SPONSORSHIP**

**Gagliardi,**

**SENATE SPONSORSHIP**

**Boyd,**

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**House Committees**  
Transportation & Energy

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING INCENTIVES FOR EFFICIENT MOTOR VEHICLES.**

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**Bill Summary**

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

Specifies that the current tax credit for purchases of vehicles using alternative fuels will be effective through the income tax year commencing January 1, 2009.

Establishes that, for the income tax years commencing January 1, 2010, and January 1, 2011, the tax credit shall be at specified percentages for costs incurred for the purchase of motor vehicles using alternative fuels, the purchase of idling reduction technologies, or the conversion of motor vehicles to allow for the use of alternative fuels. Specifies a maximum credit per taxpayer for certain purchases or conversions.

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

Specifies that the categories available for a credit are:

- ! Motor vehicles that comply with certain specified vehicles defined by the federal tier 2 emissions standards or the California LEV II standards for a zero emission vehicle, advanced technology partial zero emission vehicle, partial zero emission vehicle, or a super ultra low emission vehicle;
- ! Light duty passenger vehicle, light duty truck, and medium duty truck diesel-electric hybrids with a minimum fuel economy of specified miles per gallon;
- ! Light duty passenger vehicle, light duty truck, and medium duty truck diesel-electric hybrid conversions that increase the fuel economy of the original motor vehicle by a specified percentage or more;
- ! Light duty passenger vehicle, light duty truck, and medium duty truck compressed natural gas conversions and original equipment manufacturer compressed natural gas vehicles certified by the United States environmental protection agency; and
- ! Installation of idling reduction technology.

Creates a new tax credit for income tax years commencing January 1, 2012, through the income tax year commencing January 1, 2015, for specified percentages for costs incurred for the purchase of motor vehicles using alternative fuels, the purchase of idling reduction technologies, or the conversion of motor vehicles to allow for the use of alternative fuels. Specifies a maximum credit per taxpayer for certain purchases or conversions. Specifies that the categories available for a credit are:

- ! Motor vehicles that comply with certain specified vehicles defined by the federal tier 2 emissions standards or the California LEV II standards for a zero emission vehicle, advanced technology partial zero emission vehicle, partial zero emission vehicle, or a super ultra low emission vehicle;
- ! Light duty passenger vehicle, light duty truck, and medium duty truck diesel-electric hybrids with a minimum fuel economy of specified miles per gallon;
- ! Light duty passenger vehicle, light duty truck, and medium duty truck diesel-electric hybrid conversions that increase the fuel economy of the original motor vehicle by a specified percentage or more;
- ! Light duty passenger vehicle, light duty truck, and medium duty truck compressed natural gas conversions and original equipment manufacturer compressed natural gas vehicles certified by the United States environmental protection

- agency; and
- ! Installation of idling reduction technology.

Makes changes to and extends the existing alternative fuels rebate so that in the fiscal year commencing July 1, 2009, the rebate is available to qualified entities for purchases of specified motor vehicles, specified idling reduction technologies, or conversions of existing motor vehicles to allow for the use of alternative fuels.

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

2           **SECTION 1. Short title.** This act shall be known and may be  
3 cited as the "Motor Vehicle Innovation Act".

4           **SECTION 2.** 39-22-516 (2.5) (b), (2.5) (d) (I), (2.5) (g), (2.5) (i),  
5 (3), and (4), Colorado Revised Statutes, are amended, and the said  
6 39-22-516 (2.5) is further amended BY THE ADDITION OF A NEW  
7 PARAGRAPH, to read:

8           **39-22-516. Tax credit for purchase of vehicles using**  
9 **alternative fuels - repeal.** (2.5) (b) (I) ~~With respect to tax years~~  
10 ~~commencing on or after July 1, 1998, but prior to July 1, 2000, there shall~~  
11 ~~be allowed to any person a credit against the tax imposed by this article~~  
12 ~~for each motor vehicle owned by such person that:~~

13           ~~(A) Is titled and registered in the state of Colorado;~~

14           ~~(B) Is used in connection with a business; and~~

15           ~~(C) Uses or is converted to use an alternative fuel or has its power~~  
16 ~~source replaced with a power source that uses an alternative fuel.~~

17           (II) With respect to tax years commencing on or after July 1,  
18 2000, but prior to ~~July 1, 2011~~ JANUARY 1, 2010, there shall be allowed  
19 to any person a credit against the tax imposed by this article for each  
20 motor vehicle owned by such person that:

21           (A) Is titled and registered in the state of Colorado; and

22           (B) Uses or is converted to use an alternative fuel, is a hybrid

1 vehicle, or has its power source replaced with a power source that uses an  
 2 alternative fuel.

3 (d) (I) For the purposes of paragraph (c) of this subsection (2.5),  
 4 except as otherwise provided in subparagraph (II) of this paragraph (d),  
 5 the percentage of the difference in actual cost incurred or the percentage  
 6 of the actual cost incurred that may be claimed as a credit pursuant to  
 7 paragraph (b) of this subsection (2.5) shall be as follows:

8	<b>Certification</b>	<b>Tax years</b>	<b>Tax years</b>	<b>Tax years</b>
9	<b>level:</b>	<b>commencing</b>	<b>commencing</b>	<b>commencing</b>
10		<b>on or after</b>	<b>on or after</b>	<b>on or after</b>
11		<b>July 1, 1998,</b>	<b>January 1,</b>	<b>January 1,</b>
12		<b>but prior to</b>	<b>2007, but</b>	<b>2010, but</b>
13		<b>January 1,</b>	<b>prior to</b>	<b>prior to</b>
14		<b>2007:</b>	<b>January 1,</b>	<b>January 1,</b>
15			<b>2010:</b>	<b>2012:</b>
16	Low-emitting	50%	50%	25%
17	vehicle			
18	Ultra-low-emitting	75%	75%	50%
19	vehicle or			
20	inherently			
21	low-emitting			
22	vehicle			
23	Zero-emitting	85%	85%	75%
24	vehicle			

25 (g) ~~With respect to tax years commencing on or after July 1, 1998,~~  
 26 ~~but prior to July 1, 2000, for a motor vehicle that was not used solely and~~  
 27 ~~exclusively for business purposes during the tax year for which a credit~~

1 is claimed, the amount of the credit allowed pursuant to this subsection  
2 (2.5) shall be prorated in proportion to the percentage of time during the  
3 tax year that the motor vehicle was used for business purposes.

4 (i) For income tax years commencing on and after January 1,  
5 1999, but prior to ~~July 1, 2011~~ JANUARY 1, 2010, a motor vehicle,  
6 conversion, or power source certified to the low-emitting vehicle  
7 emissions standard that is purchased by a person shall be eligible for a  
8 credit pursuant to this subsection (2.5).

9 (j) THIS SUBSECTION (2.5) IS REPEALED, EFFECTIVE DECEMBER 31,  
10 2014.

11 (3) EXCEPT AS PROVIDED IN PARAGRAPH (f) OF SUBSECTION (2.6)  
12 OF THIS SECTION, the credits allowed by this section for any income tax  
13 year shall not exceed the taxpayer's actual tax liability for such taxable  
14 year. If the amount of a credit allowed by this section exceeds the  
15 taxpayer's actual tax liability for any income tax year in which the credit  
16 is claimed, referred to in this subsection (3) as the "unused credit year",  
17 such excess shall be an investment tax credit carryover to each of the five  
18 income tax years following the unused credit year and shall be applied  
19 first to the earliest income tax years possible.

20 (4) This section is repealed, effective ~~July 1, 2016~~ DECEMBER 31,  
21 2016.

22 **SECTION 3.** 39-22-516, Colorado Revised Statutes, is amended  
23 BY THE ADDITION OF A NEW SUBSECTION to read:

24 **39-22-516. Tax credit for purchase of vehicles using**  
25 **alternative fuels - repeal.** (2.6) (a) AS USED IN THIS SUBSECTION (2.6),  
26 UNLESS THE CONTEXT OTHERWISE REQUIRES:

27 (I) "ALTERNATIVE FUEL" MEANS AN ALTERNATIVE FUEL AS

1       DEFINED IN SECTION 25-7-106.8 (1) (a), C.R.S.

2               (II) "CATEGORY 1" MEANS:

3               (A) A MOTOR VEHICLE THAT COMPLIES WITH BIN 1 OF THE FEDERAL  
4       TIER 2 EMISSIONS STANDARDS PUBLISHED BY THE FEDERAL  
5       ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL REGISTER AT 65  
6       FR 6698 (FEBRUARY 10, 2000), AS AMENDED; OR

7               (B) A MOTOR VEHICLE THAT MEETS THE CALIFORNIA LEV II  
8       STANDARDS FOR A ZERO EMISSION VEHICLE OR ADVANCED TECHNOLOGY  
9       PARTIAL ZERO EMISSION VEHICLE PURSUANT TO THE SECOND PHASE OF  
10      CALIFORNIA'S LOW EMISSION VEHICLE PROGRAM ADOPTED BY THE  
11      CALIFORNIA AIR RESOURCES BOARD.

12              (III) "CATEGORY 2" MEANS LIGHT DUTY PASSENGER VEHICLE  
13      DIESEL-ELECTRIC HYBRIDS WITH A MINIMUM FUEL ECONOMY OF SEVENTY  
14      MILES PER GALLON.

15              (IV) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE,  
16      LIGHT DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC HYBRID  
17      CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE ORIGINAL  
18      MOTOR VEHICLE BY FORTY PERCENT OR MORE.

19              (V) "CATEGORY 4" MEANS LIGHT DUTY PASSENGER VEHICLE,  
20      LIGHT DUTY TRUCK, AND MEDIUM DUTY TRUCK COMPRESSED NATURAL  
21      GAS CONVERSIONS AND ORIGINAL EQUIPMENT MANUFACTURER  
22      COMPRESSED NATURAL GAS VEHICLES CERTIFIED BY THE UNITED STATES  
23      ENVIRONMENTAL PROTECTION AGENCY.

24              (VI) "CATEGORY 5" MEANS ANY IDLING REDUCTION  
25      TECHNOLOGIES.

26              (VII) "CATEGORY 6" MEANS:

27              (A) A MOTOR VEHICLE THAT COMPLIES WITH BIN 2 OR BIN 3 OF THE

1 FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED BY THE FEDERAL  
2 ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL REGISTER AT 65  
3 FR 6698 (FEBRUARY 10, 2000), AS AMENDED, WITH A MINIMUM FUEL  
4 ECONOMY OF FORTY MILES PER GALLON OR MILES PER GALLON GASOLINE  
5 EQUIVALENT OR GREATER; OR

6 (B) A MOTOR VEHICLE WITH A MINIMUM FUEL ECONOMY OF FORTY  
7 MILES PER GALLON OR MILES PER GALLON GASOLINE EQUIVALENT OR  
8 GREATER PURSUANT TO THE SECOND PHASE OF CALIFORNIA'S LOW  
9 EMISSION VEHICLE PROGRAM ADOPTED BY THE CALIFORNIA AIR  
10 RESOURCES BOARD AND THAT EITHER MEETS THE CALIFORNIA LEV II  
11 STANDARDS FOR A PARTIAL ZERO EMISSION VEHICLE OR IS A SUPER ULTRA  
12 LOW EMISSION VEHICLE.

13 (VIII) "CATEGORY 7" MEANS:

14 (A) A MOTOR VEHICLE THAT COMPLIES WITH BIN 2 OR BIN 3 OF THE  
15 FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED BY THE FEDERAL  
16 ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL REGISTER AT 65  
17 FR 6698 (FEBRUARY 10, 2000), AS AMENDED, WITH A MINIMUM FUEL  
18 ECONOMY OF THIRTY MILES PER GALLON OR MILES PER GALLON GASOLINE  
19 EQUIVALENT OR GREATER, BUT LESS THAN FORTY MILES PER GALLON OR  
20 MILES PER GALLON GASOLINE EQUIVALENT; OR

21 (B) A MOTOR VEHICLE WITH A MINIMUM FUEL ECONOMY OF THIRTY  
22 MILES PER GALLON OR MILES PER GALLON GASOLINE EQUIVALENT OR  
23 GREATER, BUT LESS THAN FORTY MILES PER GALLON OR MILES PER GALLON  
24 GASOLINE EQUIVALENT, PURSUANT TO THE SECOND PHASE OF  
25 CALIFORNIA'S LOW EMISSION VEHICLE PROGRAM ADOPTED BY THE  
26 CALIFORNIA AIR RESOURCES BOARD AND THAT EITHER MEETS THE  
27 CALIFORNIA LEV II STANDARDS FOR A PARTIAL ZERO EMISSION VEHICLE

1 OR IS A SUPER ULTRA LOW EMISSION VEHICLE.

2 (C) "CATEGORY 7" SHALL NOT MEAN ORIGINAL EQUIPMENT  
3 MANUFACTURER COMPRESSED NATURAL GAS VEHICLES CERTIFIED BY THE  
4 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY.

5 (IX) "GROSS VEHICLE WEIGHT RATING" OR "GVWR" SHALL HAVE  
6 THE SAME MEANING AS SET FORTH IN SECTION 42-2-402 (6), C.R.S.

7 (X) "HYBRID VEHICLE" MEANS A MOTOR VEHICLE WITH A HYBRID  
8 PROPULSION SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND AN  
9 ALTERNATIVE FUEL OR TRADITIONAL FUEL.

10 (XI) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING  
11 REDUCTION DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE  
12 DEFINED IN SECTION 4053 OF THE INTERNAL REVENUE CODE, AS AMENDED,  
13 EXEMPT FROM FEDERAL EXCISE TAX PURSUANT TO SAID SECTION 4053.

14 (XII) "LIGHT DUTY PASSENGER VEHICLE" MEANS A PRIVATE  
15 PASSENGER VEHICLE, INCLUDING VANS, CAPABLE OF SEATING TWELVE  
16 PASSENGERS OR LESS; EXCEPT THAT THE TERM DOES NOT INCLUDE MOTOR  
17 HOMES AS DEFINED IN SECTION 42-1-102 (57), C.R.S., OR VEHICLES  
18 DESIGNED TO TRAVEL ON THREE OR FEWER WHEELS IN CONTACT WITH THE  
19 GROUND.

20 (XIII) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND  
21 FOURTEEN THOUSAND POUNDS GVWR.

22 (XIV) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS  
23 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS  
24 UP TO TWENTY-SIX THOUSAND POUNDS.

25 (XV) "MILES PER GALLON GASOLINE EQUIVALENT" MEANS THE  
26 STANDARD UNIT OF MEASURE THAT MEASURES HOW MANY MILES AN  
27 ALTERNATIVE VEHICLE CAN TRAVEL ON THE EQUIVALENT ENERGY OF ONE

1 UNITED STATES GALLON OF TRADITIONAL FUEL.

2 (XVI) "MOTOR VEHICLE" MEANS ANY SELF-PROPELLED VEHICLE,  
3 INCLUDING A VEHICLE THAT USES A HYBRID PROPULSION SYSTEM, THAT IS:

4 (A) TITLED AND REGISTERED IN THE STATE; AND

5 (B) REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR  
6 OPERATION UPON THE HIGHWAYS OF THE STATE.

7 (XVII) "PLUG-IN HYBRID ELECTRIC VEHICLE" MEANS A HYBRID  
8 VEHICLE THAT CAN OPERATE SOLELY ON ELECTRIC POWER FOR A MINIMUM  
9 OF TWENTY MILES UNDER CITY DRIVING CONDITIONS AND THAT IS  
10 CAPABLE OF RECHARGING ITS BATTERY FROM AN ON-BOARD GENERATION  
11 SOURCE AND AN OFF-BOARD ELECTRICITY SOURCE.

12 (XVIII) "POWER SOURCE" MEANS THE ENGINE OR MOTOR AND  
13 ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL  
14 STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

15 (XIX) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR  
16 FUEL COMMONLY USED ON THE HIGHWAYS OF THIS STATE IN THE YEAR  
17 2008.

18 (XX) "USES AN ALTERNATIVE FUEL" OR "TO USE AN ALTERNATIVE  
19 FUEL" MEANS TO OPERATE SOLELY ON AN ALTERNATIVE FUEL, TO OPERATE  
20 ON BOTH AN ALTERNATIVE FUEL AND A TRADITIONAL FUEL, OR TO  
21 OPERATE ALTERNATELY ON A TRADITIONAL FUEL AND AN ALTERNATIVE  
22 FUEL.

23 (b) (I) WITH RESPECT TO THE TAX YEARS COMMENCING ON  
24 JANUARY 1, 2010, AND JANUARY 1, 2011, THERE SHALL BE ALLOWED TO  
25 ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, NOT  
26 TO EXCEED SIX THOUSAND DOLLARS, FOR EACH MOTOR VEHICLE OWNED  
27 BY SUCH PERSON THAT:

- 1 (A) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;
- 2 (B) IS A HYBRID VEHICLE;
- 3 (C) IS A PLUG-IN HYBRID ELECTRIC VEHICLE;
- 4 (D) HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE
- 5 THAT USES AN ALTERNATIVE FUEL; OR
- 6 (E) IS MODIFIED TO INCLUDE IDLING REDUCTION TECHNOLOGY.

7 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON JANUARY  
8 1, 2010, AND JANUARY 1, 2011, THERE SHALL BE ALLOWED TO ANY  
9 PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR EACH  
10 MOTOR VEHICLE OWNED BY SUCH PERSON THAT IS CONVERTED TO A  
11 PLUG-IN HYBRID ELECTRIC VEHICLE.

12 (c) THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS  
13 SUBSECTION (2.6) SHALL BE AN AMOUNT EQUAL TO THE PERCENTAGE, AS  
14 SET FORTH IN PARAGRAPH (d) OF THIS SUBSECTION (2.6), OF THE  
15 FOLLOWING:

16 (I) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY  
17 SUCH PERSON DURING THE TAX YEAR IN PURCHASING A MOTOR VEHICLE  
18 THAT USES AN ALTERNATIVE FUEL AND THE COST OF THE SAME MOTOR  
19 VEHICLE THAT USES A TRADITIONAL FUEL OR, IF THE SAME VEHICLE IS NOT  
20 AVAILABLE, THEN THE COST OF THE MOST SIMILAR VEHICLE, TAKING INTO  
21 ACCOUNT THE MODEL, MAKE, ENGINE SIZE, AND OPTIONS, THAT USES A  
22 TRADITIONAL FUEL;

23 (II) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY  
24 SUCH PERSON DURING THE TAX YEAR IN REPLACING AN EXISTING POWER  
25 SOURCE IN A MOTOR VEHICLE THAT USES A TRADITIONAL FUEL WITH A  
26 POWER SOURCE THAT USES AN ALTERNATIVE FUEL AND THE COST OF  
27 REPLACING THE EXISTING POWER SOURCE IN THE MOTOR VEHICLE WITH

1 THE SAME TYPE OF POWER SOURCE THAT USES A TRADITIONAL FUEL;

2 (III) THE ACTUAL COST INCURRED BY SUCH PERSON DURING THE  
3 TAX YEAR IN CONVERTING THE MOTOR VEHICLE TO A FUEL SYSTEM THAT  
4 USES AN ALTERNATIVE FUEL;

5 (IV) THE ACTUAL COST INCURRED BY SUCH PERSON IN PURCHASING  
6 IDLING REDUCTION TECHNOLOGIES; OR

7 (V)(A) THE ACTUAL COST INCURRED BY SUCH PERSON DURING THE  
8 TAX YEAR IN CONVERTING A HYBRID VEHICLE TO A PLUG-IN HYBRID  
9 ELECTRIC VEHICLE.

10 (B) PERSONS WHO CLAIMED A TAX CREDIT IN PREVIOUS YEARS FOR  
11 THE PURCHASE OF MODEL YEAR 2004 AND NEWER HYBRID VEHICLES ARE  
12 ELIGIBLE TO CLAIM AN ADDITIONAL CREDIT FOR THE CONVERSION OF SUCH  
13 A HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC VEHICLE.

14 (d) FOR THE PURPOSES OF PARAGRAPH (c) OF THIS SUBSECTION  
15 (2.6), THE PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR  
16 THE PERCENTAGE OF THE ACTUAL COST INCURRED THAT MAY BE CLAIMED  
17 AS A CREDIT PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (2.6)  
18 SHALL BE AS FOLLOWS:

19	<b>CATEGORY:</b>	<b>INCOME TAX YEARS COMMENCING ON OR AFTER</b>
20		<b>JANUARY 1, 2010, BUT PRIOR TO JANUARY 1, 2012:</b>
21	<b>CATEGORY 1</b>	85%
22	<b>CATEGORY 2</b>	65%
23	<b>CATEGORY 3</b>	75%
24	<b>CATEGORY 4</b>	75%
25	<b>CATEGORY 5</b>	25%
26	<b>CATEGORY 6</b>	75%
27	<b>CATEGORY 7</b>	50%

1 (e) EXCEPT AS PROVIDED IN SUB-SUBPARAGRAPH (B) OF  
2 SUBPARAGRAPH (V) OF PARAGRAPH (c) OF THIS SUBSECTION (2.6), NO  
3 MORE THAN ONE TAX CREDIT SHALL BE GRANTED PURSUANT TO  
4 PARAGRAPH (d) OF THIS SUBSECTION (2.6) FOR ANY INDIVIDUAL MOTOR  
5 VEHICLE.

6 (f) IF A CREDIT AUTHORIZED IN THIS SUBSECTION (2.6) EXCEEDS  
7 THE INCOME TAX DUE ON THE INCOME OF THE TAXPAYER FOR THE  
8 TAXABLE YEAR, THE EXCESS CREDIT MAY NOT BE CARRIED FORWARD AND  
9 SHALL BE REFUNDED TO THE TAXPAYER.

10 (g) THIS SUBSECTION (2.6) IS REPEALED, EFFECTIVE DECEMBER 31,  
11 2016.

12 **SECTION 4.** Part 5 of article 22 of title 39, Colorado Revised  
13 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
14 read:

15 **39-22-516.5. Tax credit for innovative motor vehicles - repeal.**

16 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
17 REQUIRES:

18 (a) "ALTERNATIVE FUEL" MEANS AN ALTERNATIVE FUEL AS  
19 DEFINED IN SECTION 25-7-106.8 (1) (a), C.R.S.

20 (b) "CATEGORY 1" MEANS:

21 (I) A MOTOR VEHICLE THAT COMPLIES WITH BIN 1 OF THE FEDERAL  
22 TIER 2 EMISSIONS STANDARDS PUBLISHED BY THE FEDERAL  
23 ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL REGISTER AT 65  
24 FR 6698 (FEBRUARY 10, 2000), AS AMENDED; OR

25 (II) A MOTOR VEHICLE THAT MEETS THE CALIFORNIA LEV II  
26 STANDARDS FOR A ZERO EMISSION VEHICLE OR ADVANCED TECHNOLOGY  
27 PARTIAL ZERO EMISSION VEHICLE PURSUANT TO THE SECOND PHASE OF

1 CALIFORNIA'S LOW EMISSION VEHICLE PROGRAM ADOPTED BY THE  
2 CALIFORNIA AIR RESOURCES BOARD.

3 (c) "CATEGORY 2" MEANS LIGHT DUTY PASSENGER VEHICLE  
4 DIESEL-ELECTRIC HYBRIDS WITH A MINIMUM FUEL ECONOMY OF SEVENTY  
5 MILES PER GALLON.

6 (d) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT  
7 DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC HYBRID  
8 CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE ORIGINAL  
9 MOTOR VEHICLE BY FORTY PERCENT OR MORE.

10 (e) "CATEGORY 4" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT  
11 DUTY TRUCK, AND MEDIUM DUTY TRUCK COMPRESSED NATURAL GAS  
12 CONVERSIONS AND ORIGINAL EQUIPMENT MANUFACTURER COMPRESSED  
13 NATURAL GAS VEHICLES CERTIFIED BY THE UNITED STATES  
14 ENVIRONMENTAL PROTECTION AGENCY.

15 (f) "CATEGORY 5" MEANS ANY IDLING REDUCTION TECHNOLOGIES.

16 (g) "CATEGORY 6" MEANS:

17 (I) A MOTOR VEHICLE THAT COMPLIES WITH BIN 2 OR BIN 3 OF THE  
18 FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED BY THE FEDERAL  
19 ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL REGISTER AT 65  
20 FR 6698 (FEBRUARY 10, 2000), AS AMENDED, WITH A MINIMUM FUEL  
21 ECONOMY OF FORTY MILES PER GALLON OR MILES PER GALLON GASOLINE  
22 EQUIVALENT OR GREATER; OR

23 (II) A MOTOR VEHICLE WITH A MINIMUM FUEL ECONOMY OF FORTY  
24 MILES PER GALLON OR MILES PER GALLON GASOLINE EQUIVALENT OR  
25 GREATER PURSUANT TO THE SECOND PHASE OF CALIFORNIA'S LOW  
26 EMISSION VEHICLE PROGRAM ADOPTED BY THE CALIFORNIA AIR  
27 RESOURCES BOARD AND THAT EITHER MEETS THE CALIFORNIA LEV II

1 STANDARDS FOR A PARTIAL ZERO EMISSION VEHICLE OR IS A SUPER ULTRA  
2 LOW EMISSION VEHICLE.

3 (h) "GROSS VEHICLE WEIGHT RATING" OR "GVWR" SHALL HAVE  
4 THE SAME MEANING AS SET FORTH IN SECTION 42-2-402 (6), C.R.S.

5 (i) "HYBRID VEHICLE" MEANS A MOTOR VEHICLE WITH A HYBRID  
6 PROPULSION SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND AN  
7 ALTERNATIVE FUEL OR TRADITIONAL FUEL.

8 (j) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING REDUCTION  
9 DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE DEFINED IN  
10 SECTION 4053 OF THE INTERNAL REVENUE CODE, AS AMENDED, EXEMPT  
11 FROM FEDERAL EXCISE TAX PURSUANT TO SAID SECTION 4053.

12 (k) "LIGHT DUTY PASSENGER VEHICLE" MEANS A PRIVATE  
13 PASSENGER VEHICLE, INCLUDING VANS, CAPABLE OF SEATING TWELVE  
14 PASSENGERS OR LESS; EXCEPT THAT THE TERM DOES NOT INCLUDE MOTOR  
15 HOMES AS DEFINED IN SECTION 42-1-102 (57), C.R.S., OR VEHICLES  
16 DESIGNED TO TRAVEL ON THREE OR FEWER WHEELS IN CONTACT WITH THE  
17 GROUND.

18 (l) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND  
19 FOURTEEN THOUSAND POUNDS GVWR.

20 (m) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS  
21 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS  
22 UP TO TWENTY-SIX THOUSAND POUNDS.

23 (n) "MILES PER GALLON GASOLINE EQUIVALENT" MEANS THE  
24 STANDARD UNIT OF MEASURE THAT MEASURES HOW MANY MILES AN  
25 ALTERNATIVE VEHICLE CAN TRAVEL ON THE EQUIVALENT ENERGY OF ONE  
26 UNITED STATES GALLON OF TRADITIONAL FUEL.

27 (o) "MOTOR VEHICLE" MEANS ANY SELF-PROPELLED VEHICLE,

1 INCLUDING A VEHICLE THAT USES A HYBRID PROPULSION SYSTEM, THAT IS:

2 (I) TITLED AND REGISTERED IN THE STATE; AND

3 (II) REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR  
4 OPERATION UPON THE HIGHWAYS OF THE STATE.

5 (p) "PLUG-IN HYBRID ELECTRIC VEHICLE" MEANS A HYBRID  
6 VEHICLE THAT CAN OPERATE SOLELY ON ELECTRIC POWER FOR A MINIMUM  
7 OF TWENTY MILES UNDER CITY DRIVING CONDITIONS AND THAT IS  
8 CAPABLE OF RECHARGING ITS BATTERY FROM AN OFF-BOARD ELECTRICITY  
9 SOURCE.

10 (q) "POWER SOURCE" MEANS THE ENGINE OR MOTOR AND  
11 ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL  
12 STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

13 (r) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR FUEL  
14 COMMONLY USED ON THE HIGHWAYS OF THE STATE IN THE YEAR 2008.

15 (s) "USES AN ALTERNATIVE FUEL" OR "TO USE AN ALTERNATIVE  
16 FUEL" MEANS TO OPERATE SOLELY ON AN ALTERNATIVE FUEL, TO OPERATE  
17 ON BOTH AN ALTERNATIVE FUEL AND A TRADITIONAL FUEL, OR TO  
18 OPERATE ALTERNATELY ON A TRADITIONAL FUEL AND AN ALTERNATIVE  
19 FUEL.

20 (2) (a) WITH RESPECT TO THE TAX YEARS COMMENCING ON  
21 JANUARY 1, 2012, BUT PRIOR TO JANUARY 1, 2016, THERE SHALL BE  
22 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS  
23 ARTICLE, NOT TO EXCEED SIX THOUSAND DOLLARS, FOR EACH MOTOR  
24 VEHICLE OWNED BY SUCH PERSON THAT:

25 (I) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;

26 (II) IS A HYBRID VEHICLE;

27 (III) IS A PLUG-IN HYBRID ELECTRIC VEHICLE;

1 (IV) HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE  
2 THAT USES AN ALTERNATIVE FUEL; OR

3 (V) IS MODIFIED TO INCLUDE IDLING REDUCTION TECHNOLOGY.

4 (b) WITH RESPECT TO THE TAX YEARS COMMENCING ON JANUARY  
5 1, 2012, BUT PRIOR TO JANUARY 1, 2016, THERE SHALL BE ALLOWED TO  
6 ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR  
7 EACH MOTOR VEHICLE OWNED BY SUCH PERSON THAT IS CONVERTED TO  
8 A PLUG-IN HYBRID ELECTRIC VEHICLE.

9 (3) THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS  
10 SECTION SHALL BE AN AMOUNT EQUAL TO THE PERCENTAGE, AS SET FORTH  
11 IN SUBSECTION (4) OF THIS SECTION, OF THE FOLLOWING:

12 (a) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY  
13 SUCH PERSON DURING THE TAX YEAR IN PURCHASING A MOTOR VEHICLE  
14 THAT USES AN ALTERNATIVE FUEL AND THE COST OF THE SAME MOTOR  
15 VEHICLE THAT USES A TRADITIONAL FUEL OR, IF THE SAME VEHICLE IS NOT  
16 AVAILABLE, THEN THE COST OF THE MOST SIMILAR VEHICLE, TAKING INTO  
17 ACCOUNT THE MODEL, MAKE, ENGINE SIZE, AND OPTIONS, THAT USES A  
18 TRADITIONAL FUEL;

19 (b) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY  
20 SUCH PERSON DURING THE TAX YEAR IN REPLACING AN EXISTING POWER  
21 SOURCE IN A MOTOR VEHICLE THAT USES A TRADITIONAL FUEL WITH A  
22 POWER SOURCE THAT USES AN ALTERNATIVE FUEL AND THE COST OF  
23 REPLACING THE EXISTING POWER SOURCE IN THE MOTOR VEHICLE WITH  
24 THE SAME TYPE OF POWER SOURCE THAT USES A TRADITIONAL FUEL;

25 (c) THE ACTUAL COST INCURRED BY SUCH PERSON DURING THE TAX  
26 YEAR IN CONVERTING THE MOTOR VEHICLE TO A FUEL SYSTEM THAT USES  
27 AN ALTERNATIVE FUEL;

1 (d) THE ACTUAL COST INCURRED BY SUCH PERSON IN PURCHASING  
2 IDLING REDUCTION TECHNOLOGIES; OR

3 (e) (I) THE ACTUAL COST INCURRED BY SUCH PERSON DURING THE  
4 TAX YEAR IN CONVERTING A HYBRID VEHICLE TO A PLUG-IN HYBRID  
5 ELECTRIC VEHICLE.

6 (II) PERSONS WHO CLAIMED A TAX CREDIT IN PREVIOUS YEARS FOR  
7 THE PURCHASE OF MODEL YEAR 2004 AND NEWER HYBRID VEHICLES ARE  
8 ELIGIBLE TO CLAIM AN ADDITIONAL CREDIT FOR THE CONVERSION OF SUCH  
9 A HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC VEHICLE.

10 (4) FOR THE PURPOSES OF SUBSECTION (3) OF THIS SECTION, THE  
11 PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR THE  
12 PERCENTAGE OF THE ACTUAL COST INCURRED THAT MAY BE CLAIMED AS  
13 A CREDIT PURSUANT TO SUBSECTION (2) OF THIS SECTION SHALL BE AS  
14 FOLLOWS:

<b>CATEGORY:</b>	<b>INCOME</b>	<b>INCOME</b>	<b>INCOME</b>	<b>INCOME</b>
	<b>TAX YEARS</b>	<b>TAX YEARS</b>	<b>TAX YEARS</b>	<b>TAX YEARS</b>
	<b>COMMENC-</b>	<b>COMMENC-</b>	<b>COMMENC-</b>	<b>COMMENC-</b>
	<b>ING ON OR</b>	<b>ING ON OR</b>	<b>ING ON OR</b>	<b>ING ON OR</b>
	<b>AFTER</b>	<b>AFTER</b>	<b>AFTER</b>	<b>AFTER</b>
	<b>JANUARY</b>	<b>JANUARY</b>	<b>JANUARY</b>	<b>JANUARY</b>
	<b>1, 2012,</b>	<b>1, 2013,</b>	<b>1, 2014,</b>	<b>1, 2015,</b>
	<b>BUT PRIOR</b>	<b>BUT PRIOR</b>	<b>BUT PRIOR</b>	<b>BUT PRIOR</b>
	<b>TO</b>	<b>TO</b>	<b>TO</b>	<b>TO</b>
	<b>JANUARY</b>	<b>JANUARY</b>	<b>JANUARY</b>	<b>JANUARY</b>
	<b>1, 2013:</b>	<b>1, 2014:</b>	<b>1, 2015:</b>	<b>1, 2016:</b>
<b>CATEGORY 1</b>	75%	35%	35%	35%
<b>CATEGORY 2</b>	45%	25%	15%	15%

1	<b>CATEGORY 3</b>	55%	35%	25%	25%
2	<b>CATEGORY 4</b>	55%	35%	25%	25%
3	<b>CATEGORY 5</b>	25%	25%	25%	25%
4	<b>CATEGORY 6</b>	10%	10%	0%	0%

5 (5) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF PARAGRAPH (e)  
6 OF SUBSECTION (3) OF THIS SECTION, NO MORE THAN ONE TAX CREDIT  
7 SHALL BE GRANTED PURSUANT TO THIS SECTION FOR ANY INDIVIDUAL  
8 MOTOR VEHICLE.

9 (6) IF A CREDIT AUTHORIZED IN THIS SECTION EXCEEDS THE  
10 INCOME TAX DUE ON THE INCOME OF THE TAXPAYER FOR THE TAXABLE  
11 YEAR, THE EXCESS CREDIT MAY NOT BE CARRIED FORWARD AND SHALL BE  
12 REFUNDED TO THE TAXPAYER.

13 (7) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2020.

14 **SECTION 5.** 39-33-101, Colorado Revised Statutes, is amended  
15 to read:

16 **39-33-101. Definitions - repeal.** As used in this article, unless  
17 the context otherwise requires:

18 (1) "Alternative fuel" means an alternative fuel as defined in  
19 section 25-7-106.8 (1) (a), C.R.S.

20 (2) ~~Repealed~~ "CATEGORY 1" MEANS:

21 (a) A MOTOR VEHICLE THAT COMPLIES WITH BIN 1 OF THE FEDERAL  
22 TIER 2 EMISSIONS STANDARDS PUBLISHED BY THE FEDERAL  
23 ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL REGISTER AT 65  
24 FR 6698 (FEBRUARY 10, 2000), AS AMENDED; OR

25 (b) A MOTOR VEHICLE THAT MEETS THE CALIFORNIA LEV II  
26 STANDARDS FOR A ZERO EMISSION VEHICLE OR ADVANCED TECHNOLOGY  
27 PARTIAL ZERO EMISSION VEHICLE PURSUANT TO THE SECOND PHASE OF

1 CALIFORNIA'S LOW EMISSION VEHICLE PROGRAM ADOPTED BY THE  
2 CALIFORNIA AIR RESOURCES BOARD.

3 (3) "CATEGORY 2" MEANS LIGHT DUTY PASSENGER VEHICLE  
4 DIESEL-ELECTRIC HYBRIDS WITH A MINIMUM FUEL ECONOMY OF SEVENTY  
5 MILES PER GALLON.

6 (4) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT  
7 DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC HYBRID  
8 CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE ORIGINAL  
9 MOTOR VEHICLE BY FORTY PERCENT OR MORE.

10 (5) "CATEGORY 4" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT  
11 DUTY TRUCK, AND MEDIUM DUTY TRUCK COMPRESSED NATURAL GAS  
12 CONVERSIONS AND ORIGINAL EQUIPMENT MANUFACTURER COMPRESSED  
13 NATURAL GAS VEHICLES CERTIFIED BY THE UNITED STATES  
14 ENVIRONMENTAL PROTECTION AGENCY.

15 (6) "CATEGORY 5" MEANS ANY IDLING REDUCTION TECHNOLOGIES.

16 (7) "CATEGORY 6" MEANS:

17 (a) A MOTOR VEHICLE THAT COMPLIES WITH BIN 2 OR BIN 3 OF THE  
18 FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED BY THE FEDERAL  
19 ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL REGISTER AT 65  
20 FR 6698 (FEBRUARY 10, 2000), AS AMENDED, WITH A MINIMUM FUEL  
21 ECONOMY OF FORTY MILES PER GALLON OR MILES PER GALLON GASOLINE  
22 EQUIVALENT OR GREATER; OR

23 (b) A MOTOR VEHICLE WITH A MINIMUM FUEL ECONOMY OF FORTY  
24 MILES PER GALLON OR MILES PER GALLON GASOLINE EQUIVALENT OR  
25 GREATER PURSUANT TO THE SECOND PHASE OF CALIFORNIA'S LOW  
26 EMISSION VEHICLE PROGRAM ADOPTED BY THE CALIFORNIA AIR  
27 RESOURCES BOARD AND THAT EITHER MEETS THE CALIFORNIA LEV II

1 STANDARDS FOR A PARTIAL ZERO EMISSION VEHICLE OR IS A SUPER ULTRA  
2 LOW EMISSION VEHICLE.

3 ~~(3)~~ (8) "Executive director" means the executive director of the  
4 department of revenue.

5 (9) "GROSS VEHICLE WEIGHT RATING" OR "GVWR" SHALL HAVE  
6 THE SAME MEANING AS SET FORTH IN SECTION 42-2-402 (6), C.R.S.

7 (10) "HYBRID VEHICLE" MEANS A MOTOR VEHICLE WITH A HYBRID  
8 PROPULSION SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND AN  
9 ALTERNATIVE FUEL OR TRADITIONAL FUEL.

10 (11) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING  
11 REDUCTION DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE  
12 DEFINED IN SECTION 4053 OF THE FEDERAL "INTERNAL REVENUE CODE OF  
13 1986", AS AMENDED, EXEMPT FROM FEDERAL EXCISE TAX PURSUANT TO  
14 SAID SECTION 4053.

15 (12) "LIGHT DUTY PASSENGER VEHICLE" MEANS A PRIVATE  
16 PASSENGER VEHICLE, INCLUDING VANS, CAPABLE OF SEATING TWELVE  
17 PASSENGERS OR LESS; EXCEPT THAT THE TERM DOES NOT INCLUDE MOTOR  
18 HOMES AS DEFINED IN SECTION 42-1-102 (57), C.R.S., OR VEHICLES  
19 DESIGNED TO TRAVEL ON THREE OR FEWER WHEELS IN CONTACT WITH THE  
20 GROUND.

21 (13) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND  
22 FOURTEEN THOUSAND POUNDS GVWR.

23 (14) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS  
24 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS  
25 UP TO TWENTY-SIX THOUSAND POUNDS.

26 (15) "MILES PER GALLON GASOLINE EQUIVALENT" MEANS THE  
27 STANDARD UNIT OF MEASURE THAT MEASURES HOW MANY MILES AN

1 ALTERNATIVE VEHICLE CAN TRAVEL ON THE EQUIVALENT ENERGY OF ONE  
2 UNITED STATES GALLON OF TRADITIONAL FUEL.

3 ~~(4)~~ (16) "Motor vehicle" means any self-propelled vehicle  
4 required to be licensed or subject to licensing for operation upon the  
5 highways of this state, including a vehicle that uses a hybrid propulsion  
6 system.

7 ~~(5)~~ (17) (a) "Near zero-emitting vehicle" means a motor vehicle  
8 exhibiting emissions characteristics that are near those of a zero-emitting  
9 vehicle. To qualify as a near zero-emitting vehicle, a motor vehicle must  
10 meet at least one of the following minimum requirements:

11 ~~(a)~~ (I) The vehicle must be certified by the federal environmental  
12 protection agency as meeting an emission standard between the  
13 ultra-low-emitting vehicle emission standard and the zero-emitting  
14 vehicle emission standard; or

15 ~~(b)~~ (II) The vehicle must be certified by the federal environmental  
16 protection agency as meeting the federal ultra-low-emitting vehicle  
17 emission standard and must be certified by any state as provided in the  
18 "Federal Clean Air Act" to an emission standard between the  
19 ultra-low-emitting vehicle emission standard and the zero-emitting  
20 vehicle emission standard.

21 (b) THIS SUBSECTION (17) IS REPEALED, EFFECTIVE JULY 1, 2010.

22 (18) "PLUG-IN HYBRID ELECTRIC VEHICLE" MEANS A HYBRID  
23 VEHICLE THAT CAN OPERATE SOLELY ON ELECTRIC POWER FOR A MINIMUM  
24 OF TWENTY MILES UNDER CITY DRIVING CONDITIONS AND THAT IS  
25 CAPABLE OF RECHARGING ITS BATTERY FROM AN OFF-BOARD ELECTRICITY  
26 SOURCE.

27 ~~(6)~~ (19) "Power source" means the engine or motor and associated

1 wiring, fuel lines, engine coolant system, fuel storage containers, and  
2 miscellaneous components.

3 ~~(7)~~ (20) "Qualified entity" means:

4 (a) The state, any county, municipality, city and county, district,  
5 or other political subdivision of the state of Colorado, and any institution,  
6 department, agency, or authority thereof;

7 (b) A person, organization, or other nongovernmental entity that  
8 is exempt from federal income taxation under the provisions of the  
9 federal "Internal Revenue Code of 1986", as amended.

10 ~~(8)~~ (21) "Traditional fuel" means a petroleum-based motor fuel  
11 commonly used on the highways of this state in the ~~year 1994~~ YEAR 2008.

12 ~~(9)~~ (22) "Uses an alternative fuel" or "to use an alternative fuel"  
13 means to operate solely on an alternative fuel, to operate on both an  
14 alternative fuel and a traditional fuel, or to operate alternately on a  
15 traditional fuel and an alternative fuel.

16 **SECTION 6.** The introductory portion to 39-33-102 (1), Colorado  
17 Revised Statutes, is amended, and the said 39-33-102 is further amended  
18 BY THE ADDITION OF A NEW SUBSECTION, to read:

19 **39-33-102. Rebate for motor vehicles using alternative fuels.**

20 (1) On and after July 1, 1998, but prior to ~~July 1, 2012~~ JULY 1, 2009, the  
21 executive director shall be authorized to grant a rebate to a qualified  
22 entity for each motor vehicle owned by such entity that:

23 (2) ON AND AFTER JULY 1, 2009, BUT PRIOR TO JULY 1, 2015, THE  
24 EXECUTIVE DIRECTOR SHALL BE AUTHORIZED TO GRANT A REBATE TO A  
25 QUALIFIED ENTITY FOR EACH MOTOR VEHICLE OWNED BY SUCH ENTITY  
26 THAT IS TITLED AND REGISTERED IN THE STATE OF COLORADO, IS USED IN  
27 CONNECTION WITH THE BUSINESS OR OFFICIAL ACTIVITIES OF THE ENTITY,

1 AND:

2 (a) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;

3 (b) HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE  
4 THAT USES AN ALTERNATIVE FUEL;

5 (c) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;

6 (d) IS A HYBRID VEHICLE;

7 (e) IS OR IS CONVERTED TO A PLUG-IN HYBRID ELECTRIC VEHICLE;

8 OR

9 (f) IS MODIFIED TO INCLUDE IDLING REDUCTION TECHNOLOGY.

10 **SECTION 7.** The introductory portion to 39-33-103 (1) and  
11 39-33-103 (2) (a) (I) and (3), Colorado Revised Statutes, are amended,  
12 and the said 39-33-103 is further amended BY THE ADDITION OF A  
13 NEW SUBSECTION, to read:

14 **39-33-103. Amount of rebate for costs incurred prior to July**  
15 **1, 2009 - repeal.** (1) The aggregate of all rebates granted to a qualified  
16 entity shall not exceed three hundred fifty thousand dollars in any state  
17 fiscal year. The rebate granted to a qualified entity for each motor vehicle  
18 pursuant to this ~~article~~ SECTION shall not be an amount that exceeds the  
19 percentage, as set forth in paragraph (a) of subsection (2) of this section,  
20 of the following:

21 (2) (a) (I) For the purposes of subsection (1) of this section, except  
22 as otherwise provided in subparagraph (II) of this paragraph (a), the  
23 percentage of the difference in actual cost incurred or the percentage of  
24 the actual cost incurred by a qualified entity for which a rebate may be  
25 granted pursuant to this ~~article~~ SECTION shall be as follows:

26	<b>Certification</b>	<b>For costs</b>	<b>For costs</b>	<b>For costs</b>
27	Low-emitting	50%	25%	0%

1	Ultra-low-emitting	75%	50%	<del>25%</del>
2	Zero-emitting	85%	75%	<del>50%</del>

3           (3) Any application for a rebate shall be filed within twelve  
4 months after the end of the month in which the cost is incurred by the  
5 qualified entity. The executive director shall grant rebates in the order in  
6 which applications are received as moneys are made available. The  
7 executive director shall grant rebates to qualified entities only if the cost  
8 is incurred on or after July 1, 1998, but prior to ~~July 1, 2011~~ JULY 1, 2009.  
9 No rebate shall be granted more than twenty-four months after the date  
10 upon which the cost is incurred. Rebates shall be granted only from  
11 available moneys in the alternative fuels rebate fund created in section  
12 39-33-105, and in no event shall the state have any obligation to provide  
13 rebates from any source other than the fund. For the purposes of this  
14 section, "cost is incurred" means, at the option of a qualified entity, either  
15 the date when the entity obligates itself to make a purchase or the date on  
16 which the entity pays for such purchase.

17           (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2010.

18           **SECTION 8.** Article 33 of title 39, Colorado Revised Statutes, is  
19 amended BY THE ADDITION OF A NEW SECTION to read:

20           **39-33-103.5. Amount of rebate for costs incurred prior to July**  
21 **1, 2015 - repeal.** (1) THE AGGREGATE OF ALL REBATES GRANTED TO A  
22 QUALIFIED ENTITY SHALL NOT EXCEED THREE HUNDRED FIFTY THOUSAND  
23 DOLLARS IN ANY STATE FISCAL YEAR. THE REBATE GRANTED TO A  
24 QUALIFIED ENTITY FOR EACH MOTOR VEHICLE PURSUANT TO THIS SECTION  
25 SHALL NOT BE AN AMOUNT THAT EXCEEDS THE PERCENTAGE, AS SET  
26 FORTH IN PARAGRAPH (a) OF SUBSECTION (2) OF THIS SECTION, OF THE  
27 FOLLOWING:

1 (a) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY  
2 SUCH ENTITY DURING A GIVEN STATE FISCAL YEAR IN PURCHASING A  
3 MOTOR VEHICLE THAT USES AN ALTERNATIVE FUEL AND THE COST OF THE  
4 SAME MOTOR VEHICLE THAT USES A TRADITIONAL FUEL OR, IF THE SAME  
5 VEHICLE IS NOT AVAILABLE, THEN THE COST OF THE MOST SIMILAR  
6 VEHICLE, TAKING INTO ACCOUNT MODEL, MAKE, ENGINE SIZE, AND  
7 OPTIONS, THAT USES A TRADITIONAL FUEL;

8 (b) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY  
9 SUCH ENTITY DURING A GIVEN STATE FISCAL YEAR IN REPLACING AN  
10 EXISTING POWER SOURCE IN A MOTOR VEHICLE THAT USES A TRADITIONAL  
11 FUEL WITH A POWER SOURCE THAT USES AN ALTERNATIVE FUEL AND THE  
12 COST OF REPLACING THE EXISTING POWER SOURCE IN THE MOTOR VEHICLE  
13 WITH THE SAME TYPE OF POWER SOURCE THAT USES A TRADITIONAL FUEL;

14 (c) THE ACTUAL COST INCURRED BY SUCH ENTITY DURING A GIVEN  
15 STATE FISCAL YEAR IN CONVERTING A MOTOR VEHICLE TO A FUEL SYSTEM  
16 THAT USES AN ALTERNATIVE FUEL;

17 (d) THE ACTUAL COST INCURRED BY SUCH PERSON IN PURCHASING  
18 IDLING REDUCTION TECHNOLOGIES; OR

19 (e) (I) THE ACTUAL COST OF CONVERTING THE VEHICLE FROM A  
20 HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC VEHICLE.

21 (II) QUALIFIED ENTITIES WHO RECEIVED A REBATE IN PREVIOUS  
22 YEARS FOR THE PURCHASE OF MODEL YEAR 2004 AND NEWER HYBRID  
23 VEHICLES ARE ELIGIBLE TO APPLY FOR AN ADDITIONAL REBATE FOR THE  
24 CONVERSION OF SUCH A HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC  
25 VEHICLE.

26 (2) (a) FOR THE PURPOSES OF SUBSECTION (1) OF THIS SECTION,  
27 THE PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR THE

1 PERCENTAGE OF THE ACTUAL COST INCURRED BY A QUALIFIED ENTITY FOR  
 2 WHICH A REBATE MAY BE GRANTED PURSUANT TO THIS ARTICLE SHALL BE  
 3 AS FOLLOWS:

4	<b>CATEGORY:</b>	<b>FOR</b>	<b>FOR</b>	<b>FOR</b>	<b>FOR</b>	<b>FOR</b>
5		<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>
6		<b>INCUR-</b>	<b>INCUR-</b>	<b>INCUR-</b>	<b>INCUR</b>	<b>INCUR-</b>
7		<b>RED ON</b>	<b>RED ON</b>	<b>RED ON</b>	<b>-RED ON</b>	<b>RED ON</b>
8		<b>OR</b>	<b>OR</b>	<b>OR</b>	<b>OR</b>	<b>OR</b>
9		<b>AFTER</b>	<b>AFTER</b>	<b>AFTER</b>	<b>AFTER</b>	<b>AFTER</b>
10		<b>JULY 1,</b>	<b>JULY 1,</b>	<b>JULY 1,</b>	<b>JULY 1,</b>	<b>JULY 1,</b>
11		<b>2009,</b>	<b>2010,</b>	<b>2011,</b>	<b>2012,</b>	<b>2013,</b>
12		<b>BUT</b>	<b>BUT</b>	<b>BUT</b>	<b>BUT</b>	<b>BUT</b>
13		<b>PRIOR</b>	<b>PRIOR</b>	<b>PRIOR</b>	<b>PRIOR</b>	<b>PRIOR</b>
14		<b>TO</b>	<b>TO</b>	<b>TO</b>	<b>TO</b>	<b>TO</b>
15		<b>JULY 1,</b>	<b>JULY 1,</b>	<b>JULY 1,</b>	<b>JULY 1,</b>	<b>JULY 1,</b>
16		<b>2010:</b>	<b>2011:</b>	<b>2012:</b>	<b>2013:</b>	<b>2015:</b>
17	<b>CATEGORY 1</b>	85%	75%	35%	35%	35%
18	<b>CATEGORY 2</b>	65%	45%	25%	15%	15%
19	<b>CATEGORY 3</b>	75%	55%	35%	25%	25%
20	<b>CATEGORY 4</b>	75%	55%	35%	25%	25%
21	<b>CATEGORY 5</b>	25%	25%	25%	25%	25%
22	<b>CATEGORY 6</b>	75%	10%	10%	0%	0%

23 (b) FOR A MOTOR VEHICLE THAT IS NOT USED SOLELY AND  
 24 EXCLUSIVELY FOR THE BUSINESS OR OFFICIAL ACTIVITIES OF THE  
 25 QUALIFIED ENTITY, THE AMOUNT OF THE REBATE ALLOWED PURSUANT TO  
 26 THIS SECTION SHALL BE PRORATED IN PROPORTION TO THE PERCENTAGE OF  
 27 TIME DURING THE CALENDAR YEAR THAT THE MOTOR VEHICLE IS USED FOR

1 THE BUSINESS OR OFFICIAL ACTIVITIES OF THE ENTITY.

2 (c) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF PARAGRAPH (e)  
3 OF SUBSECTION (1) OF THIS SECTION, NO MORE THAN ONE REBATE SHALL  
4 BE GRANTED PURSUANT TO THIS SECTION FOR ANY INDIVIDUAL MOTOR  
5 VEHICLE.

6 (3) ANY APPLICATION FOR A REBATE SHALL BE FILED WITHIN  
7 TWELVE MONTHS AFTER THE END OF THE MONTH IN WHICH THE COST IS  
8 INCURRED BY THE QUALIFIED ENTITY. THE EXECUTIVE DIRECTOR SHALL  
9 GRANT REBATES IN THE ORDER IN WHICH APPLICATIONS ARE RECEIVED AS  
10 MONEYS ARE MADE AVAILABLE. THE EXECUTIVE DIRECTOR SHALL GRANT  
11 REBATES TO QUALIFIED ENTITIES ONLY IF THE COST IS INCURRED ON OR  
12 AFTER JULY 1, 2009, BUT PRIOR TO JULY 1, 2015. NO REBATE SHALL BE  
13 GRANTED MORE THAN TWENTY-FOUR MONTHS AFTER THE DATE UPON  
14 WHICH THE COST IS INCURRED. REBATES SHALL BE GRANTED ONLY FROM  
15 AVAILABLE MONEYS IN THE ALTERNATIVE FUELS REBATE FUND CREATED  
16 IN SECTION 39-33-105, AND IN NO EVENT SHALL THE STATE HAVE ANY  
17 OBLIGATION TO PROVIDE REBATES FROM ANY SOURCE OTHER THAN THE  
18 FUND. FOR THE PURPOSES OF THIS SECTION, "COST IS INCURRED" MEANS,  
19 AT THE OPTION OF A QUALIFIED ENTITY, EITHER THE DATE WHEN THE  
20 ENTITY OBLIGATES ITSELF TO MAKE A PURCHASE OR THE DATE ON WHICH  
21 THE ENTITY PAYS FOR SUCH PURCHASE.

22 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2016.

23 **SECTION 9.** 39-33-106, Colorado Revised Statutes, is amended  
24 to read:

25 **39-33-106. Repeal of article.** This article is repealed, effective  
26 ~~July 1, 2012~~ JULY 1, 2016.

27 **SECTION 10.** 24-30-1104 (2) (c) (II) (B), Colorado Revised

1 Statutes, is amended to read:

2 **24-30-1104. Central services functions of the department -**  
3 **definitions.** (2) In addition to the county-specific functions set forth in  
4 subsection (1) of this section, the department of personnel shall take such  
5 steps as are necessary to fully implement a central state motor vehicle  
6 fleet system by January 1, 1993. The provisions of the motor vehicle fleet  
7 system created pursuant to this subsection (2) shall apply to the executive  
8 branch of the state of Colorado, its departments, its institutions, and its  
9 agencies; except that the governing board of each institution of higher  
10 education, by formal action of the board, and the Colorado commission  
11 on higher education, by formal action of the commission, may elect to be  
12 exempt from the provisions of this subsection (2) and may obtain a motor  
13 vehicle fleet system independent of the state motor vehicle fleet system.  
14 Under the direction of the executive director, the department of personnel  
15 shall perform the following functions pertaining to the motor vehicle fleet  
16 system throughout the state:

17 (c) (II) By January 1, 2008, the executive director shall adopt a  
18 policy to significantly increase the utilization of alternative fuels and that  
19 establishes increasing utilization objectives for each following year. To  
20 encourage compliance with this policy, the rules promulgated pursuant to  
21 this paragraph (c) may establish progressively more stringent percentage  
22 mileposts and shall, for fiscal years commencing after July 1, 2004,  
23 require the collection of data concerning the annual percentage of  
24 state-owned bi-fueled vehicles that were fueled exclusively with an  
25 alternative fuel. Beginning January 1, 2008, the executive director shall  
26 purchase flexible fuel vehicles or hybrid vehicles, subject to availability,  
27 unless the increased cost of such vehicle is more than ten percent over the

1 cost of a comparable nonflexible fuel vehicle. The executive director  
2 shall adopt a policy to allow some vehicles to be exempted from this  
3 requirement. As used in this subparagraph (II):

4 (B) "Hybrid vehicle" ~~has the meaning established in section~~  
5 ~~39-22-516 (2.5) (a) (H.5), C.R.S.~~ MEANS A MOTOR VEHICLE WITH A  
6 HYBRID PROPULSION SYSTEM THAT USES AN ALTERNATIVE FUEL BY  
7 OPERATING ON BOTH AN ALTERNATIVE FUEL, INCLUDING ELECTRICITY,  
8 AND A TRADITIONAL FUEL.

9 **SECTION 11.** 39-26-719 (1) (b) (I), (1) (b) (III), (2) (b) (II) (A),  
10 and (2) (b) (II) (C), Colorado Revised Statutes, are amended to read:

11 **39-26-719. Motor vehicles.** (1) (b) For purposes of this  
12 subsection (1), unless the context otherwise requires:

13 (I) "Motor vehicle" ~~shall have the same meaning as set forth in~~  
14 ~~section 39-22-516 (2.5) (a) (HH)~~ MEANS ANY SELF-PROPELLED VEHICLE  
15 REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR OPERATION  
16 UPON THE HIGHWAYS OF THIS STATE, INCLUDING A VEHICLE THAT USES A  
17 HYBRID PROPULSION SYSTEM.

18 (III) "Power source" ~~shall have the same meaning as set forth in~~  
19 ~~section 39-22-516 (2.5) (a) (V)~~ MEANS THE ENGINE OR MOTOR AND  
20 ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL  
21 STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

22 (2) The following shall be exempt from taxation under the  
23 provisions of part 2 of this article:

24 (b) (II) For purposes of this paragraph (b), unless the context  
25 otherwise requires:

26 (A) "Motor vehicle" ~~shall have the same meaning as set forth in~~  
27 ~~section 39-22-516 (2.5) (a) (HH)~~ MEANS ANY SELF-PROPELLED VEHICLE

1       REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR OPERATION  
2       UPON THE HIGHWAYS OF THIS STATE, INCLUDING A VEHICLE THAT USES A  
3       HYBRID PROPULSION SYSTEM.

4           (C) "Power source" ~~shall have the same meaning as set forth in~~  
5       ~~section 39-22-516 (2.5) (a) (V)~~ MEANS THE ENGINE OR MOTOR AND  
6       ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL  
7       STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

8           **SECTION 12.** 42-4-1012 (2.5) (a) (III), Colorado Revised  
9       Statutes, is amended to read:

10           **42-4-1012. High occupancy vehicle (HOV) and high occupancy**  
11       **toll (HOT) lanes.** (2.5) (a) (III) As used in this subsection (2.5), "hybrid  
12       vehicle" ~~has the meaning established in section 39-22-516 (2.5) (a) (H.5);~~  
13       ~~C.R.S.~~ MEANS A MOTOR VEHICLE WITH A HYBRID PROPULSION SYSTEM  
14       THAT USES AN ALTERNATIVE FUEL BY OPERATING ON BOTH AN  
15       ALTERNATIVE FUEL, INCLUDING ELECTRICITY, AND A TRADITIONAL FUEL.

16           **SECTION 13. Safety clause.** The general assembly hereby finds,  
17       determines, and declares that this act is necessary for the immediate  
18       preservation of the public peace, health, and safety.