

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

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 09-0862.01 Esther van Mourik

HOUSE BILL 09-1331

HOUSE SPONSORSHIP

Gagliardi,

SENATE SPONSORSHIP

Boyd,

House Committees

Transportation & Energy
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING INCENTIVES FOR EFFICIENT MOTOR VEHICLES, AND**
102 **MAKING AN APPROPRIATION IN CONNECTION THEREWITH.**

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

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.*

HOUSE
3rd Reading Unamended
April 29, 2009

HOUSE
Amended 2nd Reading
April 28, 2009

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.

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.

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:

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

2 (B) Uses or is converted to use an alternative fuel, is a hybrid
3 vehicle, or has its power source replaced with a power source that uses an
4 alternative fuel.

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

10 Certification 11 level:	12 Tax years 13 commencing 14 on or after 15 July 1, 1998, 16 but prior to 17 January 1, 18 2007:	19 Tax years 20 commencing 21 on or after 22 January 1, 23 2007, but 24 prior to 25 January 1, 26 2010:	27 Tax years 28 commencing 29 on or after 30 January 1, 31 2010, but 32 prior to 33 January 1, 34 2012:
18 Low-emitting 19 vehicle	20 50%	21 50%	22 25%
20 Ultra-low-emitting 21 vehicle or 22 inherently 23 low-emitting 24 vehicle	25 75%	26 75%	27 50%
25 Zero-emitting 26 vehicle	27 85%	28 85%	29 75%

27 (g) ~~With respect to tax years commencing on or after July 1, 1998,~~

1 but prior to July 1, 2000, for a motor vehicle that was not used solely and
2 exclusively for business purposes during the tax year for which a credit
3 is claimed, the amount of the credit allowed pursuant to this subsection
4 (2.5) shall be prorated in proportion to the percentage of time during the
5 tax year that the motor vehicle was used for business purposes.

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

11 (j) THIS SUBSECTION (2.5) IS REPEALED, EFFECTIVE DECEMBER 31,
12 2014.

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

22 (4) This section is repealed, effective ~~July 1, 2016~~ DECEMBER 31,
23 2016.

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

26 **39-22-516. Tax credit for purchase of vehicles using**
27 **alternative fuels - repeal.** (2.6) (a) AS USED IN THIS SUBSECTION (2.6),

1 UNLESS THE CONTEXT OTHERWISE REQUIRES:

2 (I) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST PAID BY
3 THE PURCHASER FOR THE VEHICLE, CONVERSION, OR IDLING REDUCTION
4 TECHNOLOGIES. THE ACTUAL COST PAID SHALL BE CALCULATED AS THE
5 NET OF ANY CREDITS, GRANTS, OR REBATES, INCLUDING FEDERAL CREDITS,
6 GRANTS, OR REBATES FOR WHICH THE PURCHASER IS ELIGIBLE, BUT
7 EXCLUDING THE CREDIT SPECIFIED IN THIS SUBSECTION (2.6).

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

10 (III) "CATEGORY 1" MEANS A MOTOR VEHICLE THAT COMPLIES
11 WITH BIN 1 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED BY
12 THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL
13 REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS AMENDED.

14 [REDACTED]
15 (IV) "CATEGORY 2" MEANS LIGHT DUTY PASSENGER VEHICLE
16 DIESEL-ELECTRIC HYBRIDS WITH A MINIMUM FUEL ECONOMY OF SEVENTY
17 MILES PER GALLON.

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

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

27 (VII) "CATEGORY 5" MEANS ANY IDLING REDUCTION

1 TECHNOLOGIES.

2 (VIII) "CATEGORY 6" MEANS A MOTOR VEHICLE THAT COMPLIES
3 WITH BIN 2 OR BIN 3 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS
4 PUBLISHED BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN
5 THE FEDERAL REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS
6 AMENDED, WITH A MINIMUM FUEL ECONOMY OF FORTY MILES PER GALLON
7 OR MILES PER GALLON GASOLINE EQUIVALENT OR GREATER.

8 (IX) (A) "CATEGORY 7" MEANS A MOTOR VEHICLE THAT COMPLIES
9 WITH BIN 2 OR BIN 3 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS
10 PUBLISHED BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN
11 THE FEDERAL REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS
12 AMENDED, WITH A MINIMUM FUEL ECONOMY OF THIRTY MILES PER GALLON
13 OR MILES PER GALLON GASOLINE EQUIVALENT OR GREATER, BUT LESS
14 THAN FORTY MILES PER GALLON OR MILES PER GALLON GASOLINE
15 EQUIVALENT.

16

17 (B) "CATEGORY 7" SHALL NOT MEAN ORIGINAL EQUIPMENT
18 MANUFACTURER COMPRESSED NATURAL GAS VEHICLES CERTIFIED BY THE
19 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY.

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

22 (XI) "HYBRID VEHICLE" MEANS A MOTOR VEHICLE WITH A HYBRID
23 PROPULSION SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND AN
24 ALTERNATIVE FUEL OR TRADITIONAL FUEL.

25 (XII) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING
26 REDUCTION DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE
27 DEFINED IN SECTION 4053 OF THE INTERNAL REVENUE CODE, AS AMENDED,

1 EXEMPT FROM FEDERAL EXCISE TAX PURSUANT TO SAID SECTION 4053.

2 (XIII) "LIGHT DUTY PASSENGER VEHICLE" MEANS A PRIVATE
3 PASSENGER VEHICLE, INCLUDING VANS, CAPABLE OF SEATING TWELVE
4 PASSENGERS OR LESS; EXCEPT THAT THE TERM DOES NOT INCLUDE MOTOR
5 HOMES AS DEFINED IN SECTION 42-1-102 (57), C.R.S., OR VEHICLES
6 DESIGNED TO TRAVEL ON THREE OR FEWER WHEELS IN CONTACT WITH THE
7 GROUND.

8 (XIV) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND
9 FOURTEEN THOUSAND POUNDS GVWR.

10 (XV) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS
11 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS
12 UP TO TWENTY-SIX THOUSAND POUNDS.

13 (XVI) "MILES PER GALLON GASOLINE EQUIVALENT" MEANS THE
14 STANDARD UNIT OF MEASURE THAT MEASURES HOW MANY MILES AN
15 ALTERNATIVE VEHICLE CAN TRAVEL ON THE EQUIVALENT ENERGY OF ONE
16 UNITED STATES GALLON OF TRADITIONAL FUEL.

17 (XVII) "MOTOR VEHICLE" MEANS ANY SELF-PROPELLED VEHICLE,
18 INCLUDING A VEHICLE THAT USES A HYBRID PROPULSION SYSTEM, THAT IS:

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

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

22 (XVIII) "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 ON-BOARD GENERATION
26 SOURCE AND AN OFF-BOARD ELECTRICITY SOURCE.

27 (XIX) "POWER SOURCE" MEANS THE ENGINE OR MOTOR AND

1 ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL
2 STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

3 (XX) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR
4 FUEL COMMONLY USED ON THE HIGHWAYS OF THIS STATE IN THE YEAR
5 2008.

6 (XXI) "USES AN ALTERNATIVE FUEL" OR "TO USE AN ALTERNATIVE
7 FUEL" MEANS TO OPERATE SOLELY ON AN ALTERNATIVE FUEL, TO OPERATE
8 ON BOTH AN ALTERNATIVE FUEL AND A TRADITIONAL FUEL, OR TO
9 OPERATE ALTERNATELY ON A TRADITIONAL FUEL AND AN ALTERNATIVE
10 FUEL.

11 (b) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
12 PARAGRAPH (b), WITH RESPECT TO THE TAX YEARS COMMENCING ON
13 JANUARY 1, 2010, AND JANUARY 1, 2011, THERE SHALL BE ALLOWED TO
14 ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, NOT
15 TO EXCEED SIX THOUSAND DOLLARS, FOR EACH MOTOR VEHICLE OWNED
16 BY SUCH PERSON THAT:

17 (A) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;

18 (B) IS A HYBRID VEHICLE;

19 (C) IS A PLUG-IN HYBRID ELECTRIC VEHICLE;

20 (D) HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE
21 THAT USES AN ALTERNATIVE FUEL;

22 (E) IS MODIFIED TO INCLUDE IDLING REDUCTION TECHNOLOGY; OR

23 (F) IS CONVERTED TO A PLUG-IN HYBRID ELECTRIC VEHICLE.

24 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON JANUARY
25 1, 2010, AND JANUARY 1, 2011, THERE SHALL BE ALLOWED TO ANY
26 PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR EACH
27 CATEGORY 4 VEHICLE.

1 (c) THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS
2 SUBSECTION (2.6) SHALL BE AN AMOUNT EQUAL TO THE PERCENTAGE, AS
3 SET FORTH IN PARAGRAPH (d) OF THIS SUBSECTION (2.6), OF THE
4 FOLLOWING:

5 (I) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
6 SUCH PERSON DURING THE TAX YEAR IN PURCHASING A MOTOR VEHICLE
7 THAT USES AN ALTERNATIVE FUEL AND THE COST OF THE SAME MOTOR
8 VEHICLE THAT USES A TRADITIONAL FUEL OR, IF THE SAME VEHICLE IS NOT
9 AVAILABLE, THEN THE COST OF THE MOST SIMILAR VEHICLE, TAKING INTO
10 ACCOUNT THE MODEL, MAKE, ENGINE SIZE, AND OPTIONS, THAT USES A
11 TRADITIONAL FUEL;

12 (II) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
13 SUCH PERSON DURING THE TAX YEAR IN REPLACING AN EXISTING POWER
14 SOURCE IN A MOTOR VEHICLE THAT USES A TRADITIONAL FUEL WITH A
15 POWER SOURCE THAT USES AN ALTERNATIVE FUEL AND THE COST OF
16 REPLACING THE EXISTING POWER SOURCE IN THE MOTOR VEHICLE WITH
17 THE SAME TYPE OF POWER SOURCE THAT USES A TRADITIONAL FUEL;

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

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

23 (V)(A) THE ACTUAL COST INCURRED BY SUCH PERSON DURING THE
24 TAX YEAR IN CONVERTING A HYBRID VEHICLE TO A PLUG-IN HYBRID
25 ELECTRIC VEHICLE.

26 (B) PERSONS WHO CLAIMED A TAX CREDIT IN PREVIOUS YEARS FOR
27 THE PURCHASE OF MODEL YEAR 2004 AND NEWER HYBRID VEHICLES ARE

1 ELIGIBLE TO CLAIM AN ADDITIONAL CREDIT FOR THE CONVERSION OF SUCH
2 A HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC VEHICLE.

3 (d) FOR THE PURPOSES OF PARAGRAPH (c) OF THIS SUBSECTION
4 (2.6), THE PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR
5 THE PERCENTAGE OF THE ACTUAL COST INCURRED THAT MAY BE CLAIMED
6 AS A CREDIT PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (2.6)
7 SHALL BE AS FOLLOWS:

8	CATEGORY:	INCOME TAX YEARS COMMENCING ON OR AFTER
9		JANUARY 1, 2010, BUT PRIOR TO JANUARY 1, 2012:
10	CATEGORY 1	85%
11	CATEGORY 2	65%
12	CATEGORY 3	75%
13	CATEGORY 4	75%
14	CATEGORY 5	25%
15	CATEGORY 6	75%
16	CATEGORY 7	50%

17 (e) EXCEPT AS PROVIDED IN SUB-SUBPARAGRAPH (B) OF
18 SUBPARAGRAPH (V) OF PARAGRAPH (c) OF THIS SUBSECTION (2.6), NO
19 MORE THAN ONE TAX CREDIT SHALL BE GRANTED PURSUANT TO
20 PARAGRAPH (d) OF THIS SUBSECTION (2.6) FOR ANY INDIVIDUAL MOTOR
21 VEHICLE.

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

26 (g) THIS SUBSECTION (2.6) IS REPEALED, EFFECTIVE DECEMBER 31,
27 2016.

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

4 **39-22-516.5. Tax credit for innovative motor vehicles - repeal.**

5 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
6 REQUIRES:

7 (a) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST PAID BY
8 THE PURCHASER FOR THE VEHICLE, CONVERSION, OR IDLING REDUCTION
9 TECHNOLOGIES. THE ACTUAL COST PAID SHALL BE CALCULATED AS THE
10 NET OF ANY CREDITS, GRANTS, OR REBATES, INCLUDING FEDERAL CREDITS,
11 GRANTS, OR REBATES FOR WHICH THE PURCHASER IS ELIGIBLE, BUT
12 EXCLUDING THE CREDIT SPECIFIED IN THIS SECTION.

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

15 (c) "CATEGORY 1" MEANS A MOTOR VEHICLE THAT COMPLIES WITH
16 BIN 1 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED BY THE
17 FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL
18 REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS AMENDED.

19 [REDACTED]
20 (d) "CATEGORY 2" MEANS LIGHT DUTY PASSENGER VEHICLE
21 DIESEL-ELECTRIC HYBRIDS WITH A MINIMUM FUEL ECONOMY OF SEVENTY
22 MILES PER GALLON.

23 (e) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT
24 DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC HYBRID
25 CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE ORIGINAL
26 MOTOR VEHICLE BY FORTY PERCENT OR MORE.

27 (f) "CATEGORY 4" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT

1 DUTY TRUCK, AND MEDIUM DUTY TRUCK COMPRESSED NATURAL GAS
2 CONVERSIONS CERTIFIED BY THE UNITED STATES ENVIRONMENTAL
3 PROTECTION AGENCY AND ORIGINAL EQUIPMENT MANUFACTURER
4 COMPRESSED NATURAL GAS VEHICLES.

5 (g) "CATEGORY 5" MEANS ANY IDLING REDUCTION TECHNOLOGIES.

6 (h) "CATEGORY 6" MEANS A MOTOR VEHICLE THAT COMPLIES WITH
7 BIN 2 OR BIN 3 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED
8 BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL
9 REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS AMENDED, WITH A
10 MINIMUM FUEL ECONOMY OF FORTY MILES PER GALLON OR MILES PER
11 GALLON GASOLINE EQUIVALENT OR GREATER.

12 [REDACTED]

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

15 (j) "HYBRID VEHICLE" MEANS A MOTOR VEHICLE WITH A HYBRID
16 PROPULSION SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND AN
17 ALTERNATIVE FUEL OR TRADITIONAL FUEL.

18 (k) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING REDUCTION
19 DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE DEFINED IN
20 SECTION 4053 OF THE INTERNAL REVENUE CODE, AS AMENDED, EXEMPT
21 FROM FEDERAL EXCISE TAX PURSUANT TO SAID SECTION 4053.

22 (l) "LIGHT DUTY PASSENGER VEHICLE" MEANS A PRIVATE
23 PASSENGER VEHICLE, INCLUDING VANS, CAPABLE OF SEATING TWELVE
24 PASSENGERS OR LESS; EXCEPT THAT THE TERM DOES NOT INCLUDE MOTOR
25 HOMES AS DEFINED IN SECTION 42-1-102 (57), C.R.S., OR VEHICLES
26 DESIGNED TO TRAVEL ON THREE OR FEWER WHEELS IN CONTACT WITH THE
27 GROUND.

1 (m) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND
2 FOURTEEN THOUSAND POUNDS GVWR.

3 (n) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS
4 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS
5 UP TO TWENTY-SIX THOUSAND POUNDS.

6 (o) "MILES PER GALLON GASOLINE EQUIVALENT" MEANS THE
7 STANDARD UNIT OF MEASURE THAT MEASURES HOW MANY MILES AN
8 ALTERNATIVE VEHICLE CAN TRAVEL ON THE EQUIVALENT ENERGY OF ONE
9 UNITED STATES GALLON OF TRADITIONAL FUEL.

10 (p) "MOTOR VEHICLE" MEANS ANY SELF-PROPELLED VEHICLE,
11 INCLUDING A VEHICLE THAT USES A HYBRID PROPULSION SYSTEM, THAT IS:

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

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

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

20 (r) "POWER SOURCE" MEANS THE ENGINE OR MOTOR AND
21 ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL
22 STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

23 (s) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR FUEL
24 COMMONLY USED ON THE HIGHWAYS OF THE STATE IN THE YEAR 2008.

25 (t) "USES AN ALTERNATIVE FUEL" OR "TO USE AN ALTERNATIVE
26 FUEL" MEANS TO OPERATE SOLELY ON AN ALTERNATIVE FUEL, TO OPERATE
27 ON BOTH AN ALTERNATIVE FUEL AND A TRADITIONAL FUEL, OR TO

1 OPERATE ALTERNATELY ON A TRADITIONAL FUEL AND AN ALTERNATIVE
2 FUEL.

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

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

9 (II) IS A HYBRID VEHICLE;

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

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

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

14 (b) WITH RESPECT TO THE TAX YEARS COMMENCING ON JANUARY
15 1, 2012, BUT PRIOR TO JANUARY 1, 2016, THERE SHALL BE ALLOWED TO
16 ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, NOT
17 TO EXCEED SEVEN THOUSAND FIVE HUNDRED DOLLARS, FOR EACH MOTOR
18 VEHICLE OWNED BY SUCH PERSON THAT IS CONVERTED TO A PLUG-IN
19 HYBRID ELECTRIC VEHICLE.

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

23 (a) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
24 SUCH PERSON DURING THE TAX YEAR IN PURCHASING A MOTOR VEHICLE
25 THAT USES AN ALTERNATIVE FUEL AND THE COST OF THE SAME MOTOR
26 VEHICLE THAT USES A TRADITIONAL FUEL OR, IF THE SAME VEHICLE IS NOT
27 AVAILABLE, THEN THE COST OF THE MOST SIMILAR VEHICLE, TAKING INTO

1 ACCOUNT THE MODEL, MAKE, ENGINE SIZE, AND OPTIONS, THAT USES A
2 TRADITIONAL FUEL;

3 (b) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
4 SUCH PERSON DURING THE TAX YEAR IN REPLACING AN EXISTING POWER
5 SOURCE IN A MOTOR VEHICLE THAT USES A TRADITIONAL FUEL WITH A
6 POWER SOURCE THAT USES AN ALTERNATIVE FUEL AND THE COST OF
7 REPLACING THE EXISTING POWER SOURCE IN THE MOTOR VEHICLE WITH
8 THE SAME TYPE OF POWER SOURCE THAT USES A TRADITIONAL FUEL;

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

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

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

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

21 (4) FOR THE PURPOSES OF SUBSECTION (3) OF THIS SECTION, THE
22 PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR THE
23 PERCENTAGE OF THE ACTUAL COST INCURRED THAT MAY BE CLAIMED AS
24 A CREDIT PURSUANT TO SUBSECTION (2) OF THIS SECTION SHALL BE AS
25 FOLLOWS:

26	CATEGORY:	INCOME	INCOME	INCOME	INCOME
27		TAX YEARS	TAX YEARS	TAX YEARS	TAX YEARS

	COMMENC- ING ON OR AFTER JANUARY 1, 2012, BUT PRIOR TO JANUARY 1, 2013:	COMMENC- ING ON OR AFTER JANUARY 1, 2013, BUT PRIOR TO JANUARY 1, 2014:	COMMENC- ING ON OR AFTER JANUARY 1, 2014, BUT PRIOR TO JANUARY 1, 2015:	COMMENC- ING ON OR AFTER JANUARY 1, 2015, BUT PRIOR TO JANUARY 1, 2016:
9	CATEGORY 1 75%	75%	75%	75%
10	CATEGORY 2 45%	25%	15%	15%
11	CATEGORY 3 55%	35%	25%	25%
12	CATEGORY 4 55%	35%	25%	25%
13	CATEGORY 5 25%	25%	25%	25%
14	CATEGORY 6 10%	10%	0%	0%

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

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

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

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

26 **39-33-101. Definitions - repeal.** As used in this article, unless

1 the context otherwise requires:

2 (1) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST PAID BY
3 THE PURCHASER FOR THE VEHICLE, CONVERSION, OR IDLING REDUCTION
4 TECHNOLOGIES. THE ACTUAL COST PAID SHALL BE CALCULATED AS THE
5 NET OF ANY CREDITS, GRANTS, OR REBATES, INCLUDING FEDERAL CREDITS,
6 GRANTS, OR REBATES FOR WHICH THE PURCHASER IS ELIGIBLE, BUT
7 EXCLUDING THE REBATE SPECIFIED IN THIS ARTICLE.

8 ~~(1)~~ (2) "Alternative fuel" means an alternative fuel as defined in
9 section 25-7-106.8 (1) (a), C.R.S.

10 (3) ~~Repeated~~ "CATEGORY 1" MEANS A MOTOR VEHICLE THAT
11 COMPLIES WITH BIN 1 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS
12 PUBLISHED BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN
13 THE FEDERAL REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS
14 AMENDED.

15 [REDACTED]

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

19 (5) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT
20 DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC HYBRID
21 CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE ORIGINAL
22 MOTOR VEHICLE BY FORTY PERCENT OR MORE.

23 (6) "CATEGORY 4" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT
24 DUTY TRUCK, AND MEDIUM DUTY TRUCK COMPRESSED NATURAL GAS
25 CONVERSIONS CERTIFIED BY THE UNITED STATES ENVIRONMENTAL
26 PROTECTION AGENCY AND ORIGINAL EQUIPMENT MANUFACTURER
27 COMPRESSED NATURAL GAS VEHICLES.

1 (7) "CATEGORY 5" MEANS ANY IDLING REDUCTION TECHNOLOGIES.

2 (8) "CATEGORY 6" MEANS A MOTOR VEHICLE THAT COMPLIES WITH
3 BIN 2 OR BIN 3 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED
4 BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL
5 REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS AMENDED, WITH A
6 MINIMUM FUEL ECONOMY OF FORTY MILES PER GALLON OR MILES PER
7 GALLON GASOLINE EQUIVALENT OR GREATER.

8
9 ~~(3)~~ (9) "Executive director" means the executive director of the
10 department of revenue.

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

13 (11) "HYBRID VEHICLE" MEANS A MOTOR VEHICLE WITH A HYBRID
14 PROPULSION SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND AN
15 ALTERNATIVE FUEL OR TRADITIONAL FUEL.

16 (12) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING
17 REDUCTION DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE
18 DEFINED IN SECTION 4053 OF THE FEDERAL "INTERNAL REVENUE CODE OF
19 1986", AS AMENDED, EXEMPT FROM FEDERAL EXCISE TAX PURSUANT TO
20 SAID SECTION 4053.

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

27 (14) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND

1 FOURTEEN THOUSAND POUNDS GVWR.

2 (15) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS
3 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS
4 UP TO TWENTY-SIX THOUSAND POUNDS.

5 (16) "MILES PER GALLON GASOLINE EQUIVALENT" MEANS THE
6 STANDARD UNIT OF MEASURE THAT MEASURES HOW MANY MILES AN
7 ALTERNATIVE VEHICLE CAN TRAVEL ON THE EQUIVALENT ENERGY OF ONE
8 UNITED STATES GALLON OF TRADITIONAL FUEL.

9 ~~(4)~~ (17) "Motor vehicle" means any self-propelled vehicle
10 required to be licensed or subject to licensing for operation upon the
11 highways of this state, including a vehicle that uses a hybrid propulsion
12 system.

13 ~~(5)~~ (18) (a) "Near zero-emitting vehicle" means a motor vehicle
14 exhibiting emissions characteristics that are near those of a zero-emitting
15 vehicle. To qualify as a near zero-emitting vehicle, a motor vehicle must
16 meet at least one of the following minimum requirements:

17 ~~(a)~~ (I) The vehicle must be certified by the federal environmental
18 protection agency as meeting an emission standard between the
19 ultra-low-emitting vehicle emission standard and the zero-emitting
20 vehicle emission standard; or

21 ~~(b)~~ (II) The vehicle must be certified by the federal environmental
22 protection agency as meeting the federal ultra-low-emitting vehicle
23 emission standard and must be certified by any state as provided in the
24 "Federal Clean Air Act" to an emission standard between the
25 ultra-low-emitting vehicle emission standard and the zero-emitting
26 vehicle emission standard.

27 (b) THIS SUBSECTION (18) IS REPEALED, EFFECTIVE JULY 1, 2010.

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

6 (6) (20) "Power source" means the engine or motor and associated
7 wiring, fuel lines, engine coolant system, fuel storage containers, and
8 miscellaneous components.

9 (7) (21) "Qualified entity" means:

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

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

16 (8) (22) "Traditional fuel" means a petroleum-based motor fuel
17 commonly used on the highways of this state in the year ~~1994~~ YEAR 2008.

18 (9) (23) "Uses an alternative fuel" or "to use an alternative fuel"
19 means to operate solely on an alternative fuel, to operate on both an
20 alternative fuel and a traditional fuel, or to operate alternately on a
21 traditional fuel and an alternative fuel.

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

25 **39-33-102. Rebate for motor vehicles using alternative fuels.**

26 (1) On and after July 1, 1998, but prior to ~~July 1, 2012~~ JULY 1, 2009, the
27 executive director shall be authorized to grant a rebate to a qualified

1 entity for each motor vehicle owned by such entity that:

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

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

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

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

12 (d) IS A HYBRID VEHICLE;

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

14 OR

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

16 **SECTION 7.** The introductory portion to 39-33-103 (1) and
17 39-33-103 (2) (a) (I) and (3), Colorado Revised Statutes, are amended,
18 and the said 39-33-103 is further amended BY THE ADDITION OF A
19 NEW SUBSECTION, to read:

20 **39-33-103. Amount of rebate for costs incurred prior to July**
21 **1, 2009 - repeal.** (1) The aggregate of all rebates granted to a qualified
22 entity shall not exceed three hundred fifty thousand dollars in any state
23 fiscal year. The rebate granted to a qualified entity for each motor vehicle
24 pursuant to this ~~article~~ SECTION shall not be an amount that exceeds the
25 percentage, as set forth in paragraph (a) of subsection (2) of this section,
26 of the following:

27 (2) (a) (I) For the purposes of subsection (1) of this section, except

1 as otherwise provided in subparagraph (II) of this paragraph (a), the
 2 percentage of the difference in actual cost incurred or the percentage of
 3 the actual cost incurred by a qualified entity for which a rebate may be
 4 granted pursuant to this ~~article~~ SECTION shall be as follows:

5 Certification	For costs	For costs	For costs
6 Low-emitting	50%	25%	0%
7 Ultra-low-emitting	75%	50%	25%
8 Zero-emitting	85%	75%	50%

9 (3) Any application for a rebate shall be filed within twelve
 10 months after the end of the month in which the cost is incurred by the
 11 qualified entity. The executive director shall grant rebates in the order in
 12 which applications are received as moneys are made available. The
 13 executive director shall grant rebates to qualified entities only if the cost
 14 is incurred on or after July 1, 1998, but prior to ~~July 1, 2011~~ JULY 1, 2009.
 15 No rebate shall be granted more than twenty-four months after the date
 16 upon which the cost is incurred. Rebates shall be granted only from
 17 available moneys in the alternative fuels rebate fund created in section
 18 39-33-105, and in no event shall the state have any obligation to provide
 19 rebates from any source other than the fund. For the purposes of this
 20 section, "cost is incurred" means, at the option of a qualified entity, either
 21 the date when the entity obligates itself to make a purchase or the date on
 22 which the entity pays for such purchase.

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

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

26 **39-33-103.5. Amount of rebate for costs incurred prior to July**
 27 **1, 2015 - repeal.** (1) THE AGGREGATE OF ALL REBATES GRANTED TO A

1 QUALIFIED ENTITY SHALL NOT EXCEED THREE HUNDRED FIFTY THOUSAND
2 DOLLARS IN ANY STATE FISCAL YEAR. THE REBATE GRANTED TO A
3 QUALIFIED ENTITY FOR EACH MOTOR VEHICLE PURSUANT TO THIS SECTION
4 SHALL NOT BE AN AMOUNT THAT EXCEEDS THE PERCENTAGE, AS SET
5 FORTH IN PARAGRAPH (a) OF SUBSECTION (2) OF THIS SECTION, OF THE
6 FOLLOWING:

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

14 (b) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
15 SUCH ENTITY DURING A GIVEN STATE FISCAL YEAR IN REPLACING AN
16 EXISTING POWER SOURCE IN A MOTOR VEHICLE THAT USES A TRADITIONAL
17 FUEL WITH A POWER SOURCE THAT USES AN ALTERNATIVE FUEL AND THE
18 COST OF REPLACING THE EXISTING POWER SOURCE IN THE MOTOR VEHICLE
19 WITH THE SAME TYPE OF POWER SOURCE THAT USES A TRADITIONAL FUEL;

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

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

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

27 (II) QUALIFIED ENTITIES WHO RECEIVED A REBATE IN PREVIOUS

1 YEARS FOR THE PURCHASE OF MODEL YEAR 2004 AND NEWER HYBRID
 2 VEHICLES ARE ELIGIBLE TO APPLY FOR AN ADDITIONAL REBATE FOR THE
 3 CONVERSION OF SUCH A HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC
 4 VEHICLE.

5 (2) (a) FOR THE PURPOSES OF SUBSECTION (1) OF THIS SECTION,
 6 THE PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR THE
 7 PERCENTAGE OF THE ACTUAL COST INCURRED BY A QUALIFIED ENTITY FOR
 8 WHICH A REBATE MAY BE GRANTED PURSUANT TO THIS ARTICLE SHALL BE
 9 AS FOLLOWS:

10	CATEGORY:	FOR	FOR	FOR	FOR	FOR
11		COSTS	COSTS	COSTS	COSTS	COSTS
12		INCUR-	INCUR-	INCUR-	INCUR	INCUR-
13		RED ON	RED ON	RED ON	-RED ON	RED ON
14		OR	OR	OR	OR	OR
15		AFTER	AFTER	AFTER	AFTER	AFTER
16		JULY 1,	JULY 1,	JULY 1,	JULY 1,	JULY 1,
17		2009,	2010,	2011,	2012,	2013,
18		BUT	BUT	BUT	BUT	BUT
19		PRIOR	PRIOR	PRIOR	PRIOR	PRIOR
20		TO	TO	TO	TO	TO
21		JULY 1,	JULY 1,	JULY 1,	JULY 1,	JULY 1,
22		2010:	2011:	2012:	2013:	2015:
23	CATEGORY 1	85%	75%	75%	75%	75%
24	CATEGORY 2	65%	45%	25%	15%	15%
25	CATEGORY 3	75%	55%	35%	25%	25%
26	CATEGORY 4	75%	55%	35%	25%	25%
27	CATEGORY 5	25%	25%	25%	25%	25%

1 **CATEGORY 6** 75% 10% 10% 0% 0%

2 (b) FOR A MOTOR VEHICLE THAT IS NOT USED SOLELY AND
3 EXCLUSIVELY FOR THE BUSINESS OR OFFICIAL ACTIVITIES OF THE
4 QUALIFIED ENTITY, THE AMOUNT OF THE REBATE ALLOWED PURSUANT TO
5 THIS SECTION SHALL BE PRORATED IN PROPORTION TO THE PERCENTAGE OF
6 TIME DURING THE CALENDAR YEAR THAT THE MOTOR VEHICLE IS USED FOR
7 THE BUSINESS OR OFFICIAL ACTIVITIES OF THE ENTITY.

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

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

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

2 SECTION 9. 39-33-106, Colorado Revised Statutes, is amended
3 to read:

4 39-33-106. **Repeal of article.** This article is repealed, effective
5 ~~July 1, 2012~~ JULY 1, 2016.

6 SECTION 10. 24-30-1104 (2) (c) (II) (B), Colorado Revised
7 Statutes, is amended to read:

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

23 (c) (II) By January 1, 2008, the executive director shall adopt a
24 policy to significantly increase the utilization of alternative fuels and that
25 establishes increasing utilization objectives for each following year. To
26 encourage compliance with this policy, the rules promulgated pursuant to
27 this paragraph (c) may establish progressively more stringent percentage

1 mileposts and shall, for fiscal years commencing after July 1, 2004,
2 require the collection of data concerning the annual percentage of
3 state-owned bi-fueled vehicles that were fueled exclusively with an
4 alternative fuel. Beginning January 1, 2008, the executive director shall
5 purchase flexible fuel vehicles or hybrid vehicles, subject to availability,
6 unless the increased cost of such vehicle is more than ten percent over the
7 cost of a comparable nonflexible fuel vehicle. The executive director
8 shall adopt a policy to allow some vehicles to be exempted from this
9 requirement. As used in this subparagraph (II):

10 (B) "Hybrid vehicle" ~~has the meaning established in section~~
11 ~~39-22-516 (2.5) (a) (H.5), C.R.S.~~ MEANS A MOTOR VEHICLE WITH A
12 HYBRID PROPULSION SYSTEM THAT USES AN ALTERNATIVE FUEL BY
13 OPERATING ON BOTH AN ALTERNATIVE FUEL, INCLUDING ELECTRICITY,
14 AND A TRADITIONAL FUEL.

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

17 **39-26-719. Motor vehicles.** (1) (b) For purposes of this
18 subsection (1), unless the context otherwise requires:

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

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

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

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

5 (A) "Motor vehicle" ~~shall have the same meaning as set forth in~~
6 ~~section 39-22-516 (2.5) (a) (III)~~ MEANS ANY SELF-PROPELLED VEHICLE
7 REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR OPERATION
8 UPON THE HIGHWAYS OF THIS STATE, INCLUDING A VEHICLE THAT USES A
9 HYBRID PROPULSION SYSTEM.

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

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

16 **42-4-1012. High occupancy vehicle (HOV) and high occupancy**
17 **toll (HOT) lanes.** (2.5) (a) (III) As used in this subsection (2.5), "hybrid
18 vehicle" ~~has the meaning established in section 39-22-516 (2.5) (a) (II.5);~~
19 ~~C.R.S.~~ MEANS A MOTOR VEHICLE WITH A HYBRID PROPULSION SYSTEM
20 THAT USES AN ALTERNATIVE FUEL BY OPERATING ON BOTH AN
21 ALTERNATIVE FUEL, INCLUDING ELECTRICITY, AND A TRADITIONAL FUEL.

22 **SECTION 13. Appropriation.** In addition to any other
23 appropriation, there is hereby appropriated, out of any moneys in the
24 alternative fuels rebate fund created in section 39-33-105 (1), Colorado
25 Revised Statutes, not otherwise appropriated, to the department of
26 revenue, for allocation to the taxation business group, special purpose
27 section, alternative fuels rebate, for the fiscal year beginning July 1, 2009,

1 the sum of one hundred eighty-nine thousand three hundred ninety-nine
2 dollars (\$189,399) cash funds, or so much thereof as may be necessary,
3 for the implementation of this act.

4 **SECTION 14. 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.