

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

**REVISED**

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

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  
Appropriations

**Senate Committees**

State, Veterans & Military Affairs  
Appropriations

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**A BILL FOR AN ACT**

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

**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.*

SENATE  
Am ended 2nd Reading  
May 5, 2009

HOUSE  
3rd Reading Unam ended  
April 29, 2009

HOUSE  
Am ended 2nd Reading  
April 28, 2009

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><del>Tax years</del></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><del>on or after</del></b>
11		<b>July 1, 1998,</b>	<b>January 1,</b>	<b><del>January 1,</del></b>
12		<b>but prior to</b>	<b>2007, but</b>	<b><del>2010, but</del></b>
13		<b>January 1,</b>	<b>prior to</b>	<b><del>prior to</del></b>
14		<b>2007:</b>	<b>January 1,</b>	<b><del>January 1,</del></b>
15			<b>2010:</b>	<b><del>2012:</del></b>
16	Low-emitting	50%	50%	<del>25%</del>
17	vehicle			
18	Ultra-low-emitting	75%	75%	<del>50%</del>
19	vehicle or			
20	inherently			
21	low-emitting			
22	vehicle			
23	Zero-emitting	85%	85%	<del>75%</del>
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) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST PAID BY

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

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

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

12 [REDACTED]

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

16 (V) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE,  
17 LIGHT DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC HYBRID  
18 CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE ORIGINAL  
19 MOTOR VEHICLE BY FORTY PERCENT OR MORE. "CATEGORY 3" ALSO  
20 MEANS NEW MEDIUM DUTY TRUCKS THAT ARE DIESEL-ELECTRIC HYBRIDS  
21 OR GASOLINE-ELECTRIC HYBRIDS THAT HAVE THIRTY PERCENT BETTER  
22 FUEL ECONOMY THAN A COMPARABLE VEHICLE POWERED SOLELY BY A  
23 DIESEL OR GASOLINE INTERNAL COMBUSTION ENGINE. FOR PURPOSES OF  
24 ESTABLISHING A COMPARABLE VEHICLE, THE DIESEL OR GASOLINE  
25 INTERNAL COMBUSTION ENGINE SHALL BE STANDARD IN A VEHICLE OF THE  
26 SAME MODEL YEAR AND THE SAME VEHICLE CLASS AS ESTABLISHED BY  
27 THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND BE

1 COMPARABLE IN WEIGHT, SIZE, AND USE. FUEL ECONOMY COMPARISONS  
2 SHALL BE MADE USING CITY FUEL ECONOMY STANDARDS IN A MANNER  
3 THAT IS SUBSTANTIALLY SIMILAR TO THE MANNER IN WHICH CITY FUEL  
4 ECONOMY IS MEASURED IN ACCORDANCE WITH PROCEDURES SET FORTH IN  
5 40 C.F.R. 600, AS IN EFFECT ON AUGUST 8, 2005.

6 (VI) "CATEGORY 4" MEANS LIGHT DUTY PASSENGER VEHICLE,  
7 LIGHT DUTY TRUCK, AND MEDIUM DUTY TRUCK COMPRESSED NATURAL  
8 GAS CONVERSIONS CERTIFIED BY THE UNITED STATES ENVIRONMENTAL  
9 PROTECTION AGENCY AND ORIGINAL EQUIPMENT MANUFACTURER  
10 COMPRESSED NATURAL GAS VEHICLES.

11 (VII) "CATEGORY 5" MEANS ANY IDLING REDUCTION  
12 TECHNOLOGIES.

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

19 (IX) (A) "CATEGORY 7" MEANS A MOTOR VEHICLE THAT COMPLIES  
20 WITH BIN 2 OR BIN 3 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS  
21 PUBLISHED BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN  
22 THE FEDERAL REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS  
23 AMENDED, WITH A MINIMUM FUEL ECONOMY OF THIRTY MILES PER GALLON  
24 OR MILES PER GALLON GASOLINE EQUIVALENT OR GREATER, BUT LESS  
25 THAN FORTY MILES PER GALLON OR MILES PER GALLON GASOLINE  
26 EQUIVALENT.

27 [REDACTED]

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

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

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

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

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

19           **(XIV)** "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND  
20 FOURTEEN THOUSAND POUNDS GVWR.

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

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

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

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

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

6 (XVIII) "PLUG-IN HYBRID ELECTRIC VEHICLE" MEANS:

7 (A) AN ORIGINAL EQUIPMENT MANUFACTURER PLUG-IN HYBRID  
8 ELECTRIC VEHICLE THAT CAN OPERATE SOLELY ON ELECTRIC POWER AND  
9 THAT IS CAPABLE OF RECHARGING ITS BATTERY FROM AN ON-BOARD  
10 GENERATION SOURCE AND AN OFF-BOARD ELECTRICITY SOURCE; AND

11 (B) A PLUG-IN HYBRID ELECTRIC VEHICLE CONVERSION THAT  
12 PROVIDES AN INCREASE IN CITY FUEL ECONOMY OF SEVENTY-FIVE PERCENT  
13 OR MORE AS COMPARED TO A COMPARABLE NONHYBRID VERSION VEHICLE  
14 FOR A MINIMUM OF TWENTY MILES AND THAT IS CAPABLE OF RECHARGING  
15 ITS BATTERY FROM AN ON-BOARD GENERATION SOURCE AND AN  
16 OFF-BOARD ELECTRICITY SOURCE. A VEHICLE SHALL BE COMPARABLE IF  
17 IT IS THE SAME MODEL YEAR AND THE SAME VEHICLE CLASS AS  
18 ESTABLISHED BY THE UNITED STATES ENVIRONMENTAL PROTECTION  
19 AGENCY AND IS COMPARABLE IN WEIGHT, SIZE, AND USE. FUEL ECONOMY  
20 COMPARISONS SHALL BE MADE USING CITY FUEL ECONOMY STANDARDS IN  
21 A MANNER THAT IS SUBSTANTIALLY SIMILAR TO THE MANNER IN WHICH  
22 CITY FUEL ECONOMY IS MEASURED IN ACCORDANCE WITH PROCEDURES  
23 SET FORTH IN 40 CFR 600, AS IN EFFECT ON AUGUST 8, 2005.

24 (XIX) "POWER SOURCE" MEANS THE ENGINE OR MOTOR AND  
25 ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL  
26 STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

27 (XX) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR

1 FUEL COMMONLY USED ON THE HIGHWAYS OF THIS STATE IN THE YEAR  
2 2008.

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

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

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

15 (B) IS A HYBRID VEHICLE;

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

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

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

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

21 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON JANUARY  
22 1, 2010, AND JANUARY 1, 2011, THERE SHALL BE ALLOWED TO ANY  
23 PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR EACH  
24 CATEGORY 4 VEHICLE.

25 (c) THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS  
26 SUBSECTION (2.6) SHALL BE AN AMOUNT EQUAL TO THE PERCENTAGE, AS  
27 SET FORTH IN PARAGRAPH (d) OF THIS SUBSECTION (2.6), OF THE

1 FOLLOWING:

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

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

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

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

20 (V)(A) THE ACTUAL COST INCURRED BY SUCH PERSON DURING THE  
21 TAX YEAR IN CONVERTING A HYBRID VEHICLE TO A PLUG-IN HYBRID  
22 ELECTRIC VEHICLE.

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

27 (d) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS

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

6 **CATEGORY: INCOME TAX YEARS COMMENCING ON OR AFTER**  
7 **JANUARY 1, 2010, BUT PRIOR TO JANUARY 1, 2012:**

8 **CATEGORY 1** 85%

9 **CATEGORY 2** 65%

10 **CATEGORY 3** 75%

11 **CATEGORY 4** 75%

12 **CATEGORY 5** 25%

13 **CATEGORY 6** 75%

14 **CATEGORY 7** 50%

15 (II) FOR THE PURCHASE OR CONVERSION OF A CATEGORY 3 OR  
16 CATEGORY 4 MEDIUM DUTY TRUCK THAT PERMANENTLY DISPLACES A  
17 MOTOR VEHICLE OR POWER SOURCE THAT IS TWELVE YEARS OLD OR  
18 OLDER, THE PERCENTAGES SPECIFIED FOR CATEGORY 3 AND CATEGORY 4  
19 IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (d) SHALL BE MULTIPLIED BY  
20 ONE AND TWENTY-FIVE ONE-HUNDREDTHS, BUT IN NO EVENT SHALL THE  
21 PERCENTAGE EXCEED ONE HUNDRED PERCENT. FOR PURPOSES OF THIS  
22 SUBPARAGRAPH (II), "PERMANENTLY DISPLACES A MOTOR VEHICLE OR  
23 POWER SOURCE" MEANS THE VEHICLE OR POWER SOURCE BEING REPLACED  
24 WILL BE RENDERED INOPERABLE AND DONATED TO AN ESTABLISHED AUTO  
25 PARTS RECYCLER, AS DEFINED IN SECTION 42-4-2201 (1), C.R.S., OR A  
26 SCRAP METAL RECYCLER, THAT OPERATES PURSUANT TO ALL LAWS, RULES,  
27 AND REGULATIONS OF THE STATE AND THE UNITED STATES

1 ENVIRONMENTAL PROTECTION AGENCY REGARDING RECYCLING.

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

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

11 (g) THIS SUBSECTION (2.6) IS REPEALED, EFFECTIVE DECEMBER 31,  
12 2016.

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

16 **39-22-516.5. Tax credit for innovative motor vehicles - repeal.**

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

19 (a) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST PAID BY  
20 THE PURCHASER FOR THE VEHICLE, CONVERSION, OR IDLING REDUCTION  
21 TECHNOLOGIES. THE ACTUAL COST PAID SHALL BE CALCULATED AS THE  
22 NET OF ANY CREDITS, GRANTS, OR REBATES, INCLUDING FEDERAL CREDITS,  
23 GRANTS, OR REBATES FOR WHICH THE PURCHASER IS ELIGIBLE, BUT  
24 EXCLUDING THE CREDIT SPECIFIED IN THIS SECTION.

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

27 (c) "CATEGORY 1" MEANS A MOTOR VEHICLE THAT COMPLIES WITH

1 BIN 1 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED BY THE  
2 FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL  
3 REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS AMENDED.

4

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

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

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

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

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

24

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

27 (j) "HYBRID VEHICLE" MEANS A MOTOR VEHICLE WITH A HYBRID

1 PROPULSION SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND AN  
2 ALTERNATIVE FUEL OR TRADITIONAL FUEL.

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

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

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

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

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

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

- 24 (I) TITLED AND REGISTERED IN THE STATE; AND  
25 (II) REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR  
26 OPERATION UPON THE HIGHWAYS OF THE STATE.

27 (q) "PLUG-IN HYBRID ELECTRIC VEHICLE" MEANS:

1           (I) AN ORIGINAL EQUIPMENT MANUFACTURER PLUG-IN HYBRID  
2           ELECTRIC VEHICLE THAT CAN OPERATE SOLELY ON ELECTRIC POWER AND  
3           THAT IS CAPABLE OF RECHARGING ITS BATTERY FROM AN ON-BOARD  
4           GENERATION SOURCE AND AN OFF-BOARD ELECTRICITY SOURCE; AND

5           (II) A PLUG-IN HYBRID ELECTRIC VEHICLE CONVERSION THAT  
6           PROVIDES AN INCREASE IN CITY FUEL ECONOMY OF SEVENTY-FIVE PERCENT  
7           OR MORE AS COMPARED TO A COMPARABLE NONHYBRID VERSION VEHICLE  
8           FOR A MINIMUM OF TWENTY MILES AND THAT IS CAPABLE OF RECHARGING  
9           ITS BATTERY FROM AN ON-BOARD GENERATION SOURCE AND AN  
10           OFF-BOARD ELECTRICITY SOURCE. A VEHICLE SHALL BE COMPARABLE IF  
11           IT IS THE SAME MODEL YEAR AND THE SAME VEHICLE CLASS AS  
12           ESTABLISHED BY THE UNITED STATES ENVIRONMENTAL PROTECTION  
13           AGENCY AND IS COMPARABLE IN WEIGHT, SIZE, AND USE. FUEL ECONOMY  
14           COMPARISONS SHALL BE MADE USING CITY FUEL ECONOMY STANDARDS IN  
15           A MANNER THAT IS SUBSTANTIALLY SIMILAR TO THE MANNER IN WHICH  
16           CITY FUEL ECONOMY IS MEASURED IN ACCORDANCE WITH PROCEDURES  
17           SET FORTH IN 40 CFR 600, AS IN EFFECT ON AUGUST 8, 2005.

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

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

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

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

- 6           (I) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;
- 7           (II) IS A HYBRID VEHICLE;
- 8           (III) IS A PLUG-IN HYBRID ELECTRIC VEHICLE;
- 9           (IV) HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE  
10 THAT USES AN ALTERNATIVE FUEL; OR
- 11           (V) IS MODIFIED TO INCLUDE IDLING REDUCTION TECHNOLOGY.

12           (b) WITH RESPECT TO THE TAX YEARS COMMENCING ON JANUARY  
13 1, 2012, BUT PRIOR TO JANUARY 1, 2016, THERE SHALL BE ALLOWED TO  
14 ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, NOT  
15 TO EXCEED SEVEN THOUSAND FIVE HUNDRED DOLLARS, FOR EACH MOTOR  
16 VEHICLE OWNED BY SUCH PERSON THAT IS CONVERTED TO A PLUG-IN  
17 HYBRID ELECTRIC VEHICLE.

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

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

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

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

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

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

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

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

24	<b>CATEGORY:</b>	<b>INCOME</b>	<b>INCOME</b>	<b>INCOME</b>	<b>INCOME</b>
25		<b>TAX YEARS</b>	<b>TAX YEARS</b>	<b>TAX YEARS</b>	<b>TAX YEARS</b>
26		<b>COMMENC-</b>	<b>COMMENC-</b>	<b>COMMENC-</b>	<b>COMMENC-</b>
27		<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%	75%	75%	75%
<b>CATEGORY 2</b>	45%	25%	15%	15%
<b>CATEGORY 3</b>	55%	35%	25%	25%
<b>CATEGORY 4</b>	55%	35%	25%	25%
<b>CATEGORY 5</b>	25%	25%	25%	25%
<b>CATEGORY 6</b>	10%	10%	0%	0%

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

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

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

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

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

(1) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST PAID BY

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

6 (4) (2) "Alternative fuel" means an alternative fuel as defined in  
7 section 25-7-106.8 (1) (a), C.R.S.

8 (3) ~~Repeated~~ "CATEGORY 1" MEANS A MOTOR VEHICLE THAT  
9 COMPLIES WITH BIN 1 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.

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

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

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

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

27 (8) "CATEGORY 6" MEANS A MOTOR VEHICLE THAT COMPLIES WITH

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

6

7 ~~(3)~~ (9) "Executive director" means the executive director of the  
8 department of revenue.

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

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

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

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

25 (14) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND  
26 FOURTEEN THOUSAND POUNDS GVWR.

27 (15) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS

1 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS  
2 UP TO TWENTY-SIX THOUSAND POUNDS.

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

7 ~~(4)~~ (17) "Motor vehicle" means any self-propelled vehicle  
8 required to be licensed or subject to licensing for operation upon the  
9 highways of this state, including a vehicle that uses a hybrid propulsion  
10 system.

11 ~~(5)~~ (18) (a) "Near zero-emitting vehicle" means a motor vehicle  
12 exhibiting emissions characteristics that are near those of a zero-emitting  
13 vehicle. To qualify as a near zero-emitting vehicle, a motor vehicle must  
14 meet at least one of the following minimum requirements:

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

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

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

26 (19) "PLUG-IN HYBRID ELECTRIC VEHICLE" MEANS:

27 (a) AN ORIGINAL EQUIPMENT MANUFACTURER PLUG-IN HYBRID

1 ELECTRIC VEHICLE THAT CAN OPERATE SOLELY ON ELECTRIC POWER AND  
2 THAT IS CAPABLE OF RECHARGING ITS BATTERY FROM AN ON-BOARD  
3 GENERATION SOURCE AND AN OFF-BOARD ELECTRICITY SOURCE; AND

4 (b) A PLUG-IN HYBRID ELECTRIC VEHICLE CONVERSION THAT  
5 PROVIDES AN INCREASE IN CITY FUEL ECONOMY OF SEVENTY-FIVE PERCENT  
6 OR MORE AS COMPARED TO A COMPARABLE NONHYBRID VERSION VEHICLE  
7 FOR A MINIMUM OF TWENTY MILES AND THAT IS CAPABLE OF RECHARGING  
8 ITS BATTERY FROM AN ON-BOARD GENERATION SOURCE AND AN  
9 OFF-BOARD ELECTRICITY SOURCE. A VEHICLE SHALL BE COMPARABLE IF  
10 IT IS THE SAME MODEL YEAR AND THE SAME VEHICLE CLASS AS  
11 ESTABLISHED BY THE UNITED STATES ENVIRONMENTAL PROTECTION  
12 AGENCY AND IS COMPARABLE IN WEIGHT, SIZE, AND USE. FUEL ECONOMY  
13 COMPARISONS SHALL BE MADE USING CITY FUEL ECONOMY STANDARDS IN  
14 A MANNER THAT IS SUBSTANTIALLY SIMILAR TO THE MANNER IN WHICH  
15 CITY FUEL ECONOMY IS MEASURED IN ACCORDANCE WITH PROCEDURES  
16 SET FORTH IN 40 CFR 600, AS IN EFFECT ON AUGUST 8, 2005.

17 ~~(6)~~ (20) "Power source" means the engine or motor and associated  
18 wiring, fuel lines, engine coolant system, fuel storage containers, and  
19 miscellaneous components.

20 ~~(7)~~ (21) "Qualified entity" means:

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

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

27 ~~(8)~~ (22) "Traditional fuel" means a petroleum-based motor fuel

1 commonly used on the highways of this state in the year ~~1994~~ YEAR 2008.

2 ~~(9)~~ (23) "Uses an alternative fuel" or "to use an alternative fuel"  
3 means to operate solely on an alternative fuel, to operate on both an  
4 alternative fuel and a traditional fuel, or to operate alternately on a  
5 traditional fuel and an alternative fuel.

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

9 **39-33-102. Rebate for motor vehicles using alternative fuels.**

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

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

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

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

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

23 (d) IS A HYBRID VEHICLE;

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

25 OR

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

27 **SECTION 7.** The introductory portion to 39-33-103 (1) and

1 39-33-103 (2) (a) (I) and (3), Colorado Revised Statutes, are amended,  
2 and the said 39-33-103 is further amended BY THE ADDITION OF A  
3 NEW SUBSECTION, to read:

4 **39-33-103. Amount of rebate for costs incurred prior to July**  
5 **1, 2009 - repeal.** (1) The aggregate of all rebates granted to a qualified  
6 entity shall not exceed three hundred fifty thousand dollars in any state  
7 fiscal year. The rebate granted to a qualified entity for each motor vehicle  
8 pursuant to this ~~article~~ SECTION shall not be an amount that exceeds the  
9 percentage, as set forth in paragraph (a) of subsection (2) of this section,  
10 of the following:

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

16	<b>Certification</b>	<b>For costs</b>	<b>For costs</b>	<b>For costs</b>
17	Low-emitting	50%	25%	<del>0%</del>
18	Ultra-low-emitting	75%	50%	<del>25%</del>
19	Zero-emitting	85%	75%	<del>50%</del>

20 (3) Any application for a rebate shall be filed within twelve  
21 months after the end of the month in which the cost is incurred by the  
22 qualified entity. The executive director shall grant rebates in the order in  
23 which applications are received as moneys are made available. The  
24 executive director shall grant rebates to qualified entities only if the cost  
25 is incurred on or after July 1, 1998, but prior to ~~July 1, 2011~~ JULY 1, 2009.  
26 No rebate shall be granted more than twenty-four months after the date  
27 upon which the cost is incurred. Rebates shall be granted only from

1 available moneys in the alternative fuels rebate fund created in section  
2 39-33-105, and in no event shall the state have any obligation to provide  
3 rebates from any source other than the fund. For the purposes of this  
4 section, "cost is incurred" means, at the option of a qualified entity, either  
5 the date when the entity obligates itself to make a purchase or the date on  
6 which the entity pays for such purchase.

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

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

10 **39-33-103.5. Amount of rebate for costs incurred prior to July**  
11 **1, 2015 - repeal.** (1) THE AGGREGATE OF ALL REBATES GRANTED TO A  
12 QUALIFIED ENTITY SHALL NOT EXCEED THREE HUNDRED FIFTY THOUSAND  
13 DOLLARS IN ANY STATE FISCAL YEAR. THE REBATE GRANTED TO A  
14 QUALIFIED ENTITY FOR EACH MOTOR VEHICLE PURSUANT TO THIS SECTION  
15 SHALL NOT BE AN AMOUNT THAT EXCEEDS THE PERCENTAGE, AS SET  
16 FORTH IN PARAGRAPH (a) OF SUBSECTION (2) OF THIS SECTION, OF THE  
17 FOLLOWING:

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

25 (b) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY  
26 SUCH ENTITY DURING A GIVEN STATE FISCAL YEAR IN REPLACING AN  
27 EXISTING POWER SOURCE IN A MOTOR VEHICLE THAT USES A TRADITIONAL

1 FUEL WITH A POWER SOURCE THAT USES AN ALTERNATIVE FUEL AND THE  
2 COST OF REPLACING THE EXISTING POWER SOURCE IN THE MOTOR VEHICLE  
3 WITH THE SAME TYPE OF POWER SOURCE THAT USES A TRADITIONAL FUEL;

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

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

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

11 (II) QUALIFIED ENTITIES WHO RECEIVED A REBATE IN PREVIOUS  
12 YEARS FOR THE PURCHASE OF MODEL YEAR 2004 AND NEWER HYBRID  
13 VEHICLES ARE ELIGIBLE TO APPLY FOR AN ADDITIONAL REBATE FOR THE  
14 CONVERSION OF SUCH A HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC  
15 VEHICLE.

16 (2) (a) FOR THE PURPOSES OF SUBSECTION (1) OF THIS SECTION,  
17 THE PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR THE  
18 PERCENTAGE OF THE ACTUAL COST INCURRED BY A QUALIFIED ENTITY FOR  
19 WHICH A REBATE MAY BE GRANTED PURSUANT TO THIS ARTICLE SHALL BE  
20 AS FOLLOWS:

21	<b>CATEGORY:</b>	<b>FOR</b>	<b>FOR</b>	<b>FOR</b>	<b>FOR</b>	<b>FOR</b>
22		<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>	<b>COSTS</b>
23		<b>INCUR-</b>	<b>INCUR-</b>	<b>INCUR-</b>	<b>INCUR</b>	<b>INCUR-</b>
24		<b>RED ON</b>	<b>RED ON</b>	<b>RED ON</b>	<b>-RED ON</b>	<b>RED ON</b>
25		<b>OR</b>	<b>OR</b>	<b>OR</b>	<b>OR</b>	<b>OR</b>
26		<b>AFTER</b>	<b>AFTER</b>	<b>AFTER</b>	<b>AFTER</b>	<b>AFTER</b>
27		<b>JULY 1,</b>	<b>JULY 1,</b>	<b>JULY 1,</b>	<b>JULY 1,</b>	<b>JULY 1,</b>

	<b>2009,</b>	<b>2010,</b>	<b>2011,</b>	<b>2012,</b>	<b>2013,</b>
	<b>BUT</b>	<b>BUT</b>	<b>BUT</b>	<b>BUT</b>	<b>BUT</b>
	<b>PRIOR</b>	<b>PRIOR</b>	<b>PRIOR</b>	<b>PRIOR</b>	<b>PRIOR</b>
	<b>TO</b>	<b>TO</b>	<b>TO</b>	<b>TO</b>	<b>TO</b>
	<b>JULY 1,</b>	<b>JULY 1,</b>	<b>JULY 1,</b>	<b>JULY 1,</b>	<b>JULY 1,</b>
	<b>2010:</b>	<b>2011:</b>	<b>2012:</b>	<b>2013:</b>	<b>2015:</b>
6	<b>CATEGORY 1</b>	85%	75%	75%	75%
7	<b>CATEGORY 2</b>	65%	45%	25%	15%
8	<b>CATEGORY 3</b>	75%	55%	35%	25%
9	<b>CATEGORY 4</b>	75%	55%	35%	25%
10	<b>CATEGORY 5</b>	25%	25%	25%	25%
11	<b>CATEGORY 6</b>	75%	10%	10%	0%

12 (b) FOR A MOTOR VEHICLE THAT IS NOT USED SOLELY AND  
13 EXCLUSIVELY FOR THE BUSINESS OR OFFICIAL ACTIVITIES OF THE  
14 QUALIFIED ENTITY, THE AMOUNT OF THE REBATE ALLOWED PURSUANT TO  
15 THIS SECTION SHALL BE PRORATED IN PROPORTION TO THE PERCENTAGE OF  
16 TIME DURING THE CALENDAR YEAR THAT THE MOTOR VEHICLE IS USED FOR  
17 THE BUSINESS OR OFFICIAL ACTIVITIES OF THE ENTITY.

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

22 (3) ANY APPLICATION FOR A REBATE SHALL BE FILED WITHIN  
23 TWELVE MONTHS AFTER THE END OF THE MONTH IN WHICH THE COST IS  
24 INCURRED BY THE QUALIFIED ENTITY. THE EXECUTIVE DIRECTOR SHALL  
25 GRANT REBATES IN THE ORDER IN WHICH APPLICATIONS ARE RECEIVED AS  
26 MONEYS ARE MADE AVAILABLE. THE EXECUTIVE DIRECTOR SHALL GRANT

1 REBATES TO QUALIFIED ENTITIES ONLY IF THE COST IS INCURRED ON OR  
2 AFTER JULY 1, 2009, BUT PRIOR TO JULY 1, 2015. NO REBATE SHALL BE  
3 GRANTED MORE THAN TWENTY-FOUR MONTHS AFTER THE DATE UPON  
4 WHICH THE COST IS INCURRED. REBATES SHALL BE GRANTED ONLY FROM  
5 AVAILABLE MONEYS IN THE ALTERNATIVE FUELS REBATE FUND CREATED  
6 IN SECTION 39-33-105, AND IN NO EVENT SHALL THE STATE HAVE ANY  
7 OBLIGATION TO PROVIDE REBATES FROM ANY SOURCE OTHER THAN THE  
8 FUND. FOR THE PURPOSES OF THIS SECTION, "COST IS INCURRED" MEANS,  
9 AT THE OPTION OF A QUALIFIED ENTITY, EITHER THE DATE WHEN THE  
10 ENTITY OBLIGATES ITSELF TO MAKE A PURCHASE OR THE DATE ON WHICH  
11 THE ENTITY PAYS FOR SUCH PURCHASE.

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

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

15 **39-33-106. Repeal of article.** This article is repealed, effective  
16 ~~July 1, 2012~~ JULY 1, 2016.

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

19 **24-30-1104. Central services functions of the department -**  
20 **definitions.** (2) In addition to the county-specific functions set forth in  
21 subsection (1) of this section, the department of personnel shall take such  
22 steps as are necessary to fully implement a central state motor vehicle  
23 fleet system by January 1, 1993. The provisions of the motor vehicle fleet  
24 system created pursuant to this subsection (2) shall apply to the executive  
25 branch of the state of Colorado, its departments, its institutions, and its  
26 agencies; except that the governing board of each institution of higher  
27 education, by formal action of the board, and the Colorado commission

1 on higher education, by formal action of the commission, may elect to be  
2 exempt from the provisions of this subsection (2) and may obtain a motor  
3 vehicle fleet system independent of the state motor vehicle fleet system.  
4 Under the direction of the executive director, the department of personnel  
5 shall perform the following functions pertaining to the motor vehicle fleet  
6 system throughout the state:

7 (c) (II) By January 1, 2008, the executive director shall adopt a  
8 policy to significantly increase the utilization of alternative fuels and that  
9 establishes increasing utilization objectives for each following year. To  
10 encourage compliance with this policy, the rules promulgated pursuant to  
11 this paragraph (c) may establish progressively more stringent percentage  
12 mileposts and shall, for fiscal years commencing after July 1, 2004,  
13 require the collection of data concerning the annual percentage of  
14 state-owned bi-fueled vehicles that were fueled exclusively with an  
15 alternative fuel. Beginning January 1, 2008, the executive director shall  
16 purchase flexible fuel vehicles or hybrid vehicles, subject to availability,  
17 unless the increased cost of such vehicle is more than ten percent over the  
18 cost of a comparable nonflexible fuel vehicle. The executive director  
19 shall adopt a policy to allow some vehicles to be exempted from this  
20 requirement. As used in this subparagraph (II):

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

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

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

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

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

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

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

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

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

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

27           **42-4-1012. High occupancy vehicle (HOV) and high occupancy**

1 **toll (HOT) lanes.** (2.5) (a) (III) As used in this subsection (2.5), "hybrid  
2 vehicle" ~~has the meaning established in section 39-22-516 (2.5) (a) (H.5);~~  
3 ~~C.R.S.~~ MEANS A MOTOR VEHICLE WITH A HYBRID PROPULSION SYSTEM  
4 THAT USES AN ALTERNATIVE FUEL BY OPERATING ON BOTH AN  
5 ALTERNATIVE FUEL, INCLUDING ELECTRICITY, AND A TRADITIONAL FUEL.

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