

**Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

REREVISED

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

LLS NO. 12-0815.01 Esther van Mourik x4215

HOUSE BILL 12-1299

HOUSE SPONSORSHIP

Singer,

SENATE SPONSORSHIP

Shaffer B.,

House Committees
Finance

Senate Committees
Finance

A BILL FOR AN ACT

101 **CONCERNING THE SPECIFICATION THAT A MOTOR VEHICLE LESSEE IS**
102 **ENTITLED TO CLAIM THE INNOVATIVE MOTOR VEHICLE TAX**
103 **CREDIT.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

For income tax years commencing on or after January 1, 2012, the bill specifies that it is the motor vehicle lessee, not the lessor, that is entitled to claim the innovative motor vehicle tax credit. The bill effectively overturns a department of revenue rule that specifies that the

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
3rd Reading Unam ended
M arch 22, 2012

SENATE
2nd Reading Unam ended
M arch 21, 2012

HOUSE
3rd Reading Unam ended
M arch 6, 2012

HOUSE
Am ended 2nd Reading
M arch 5, 2012

motor vehicle lessor has the option of claiming the innovative motor vehicle tax credit or of passing the right to claim the credit to the motor vehicle lessee.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-22-516.5, **amend**
3 (1) (a), (2) (a) introductory portion, (2) (b), (3) (a), (3) (d), and (3) (e) **(II)**;
4 **and add** (2) (c) as follows:

5 **39-22-516.5. Tax credit for innovative motor vehicles - repeal.**

6 (1) As used in this section, unless the context otherwise requires:

7 (a) "Actual cost incurred" means the actual cost paid by the
8 purchaser OR LESSEE for the vehicle, conversion, or idling reduction
9 technologies. The actual cost paid shall be calculated as the net of any
10 credits, grants, or rebates, including federal credits, grants, or rebates for
11 which the purchaser OR LESSEE is eligible, but excluding the credit
12 specified in this section.

13 (2) (a) With respect to the tax years commencing on January 1,
14 2012, but prior to January 1, 2016, there shall be allowed to any person
15 a credit against the tax imposed by this article, not to exceed six thousand
16 dollars, for each motor vehicle ~~owned~~ PURCHASED OR LEASED by such
17 person that:

18 (b) With respect to the tax years commencing on January 1, 2012,
19 but prior to January 1, 2016, there shall be allowed to any person a credit
20 against the tax imposed by this article, not to exceed seven thousand five
21 hundred dollars, for each motor vehicle ~~owned~~ PURCHASED OR LEASED by
22 such person that is converted to a plug-in hybrid electric vehicle.

23 (c) **IF A MOTOR VEHICLE IS LEASED, THE LESSEE, NOT THE LESSOR,**
24 **IS ALLOWED TO CLAIM THE CREDIT ALLOWED PURSUANT TO THIS SECTION.**

1 (3) The amount of the credit allowed pursuant to this section shall
2 be an amount equal to the percentage, as set forth in subsection (4) of this
3 section, of the following:

4 (a) The difference between the actual cost incurred by such person
5 during the tax year in purchasing OR LEASING a motor vehicle that uses an
6 alternative fuel and the cost of the same motor vehicle that uses a
7 traditional fuel or, if the same vehicle is not available, then the cost of the
8 most similar vehicle, taking into account the model, make, engine size,
9 and options, that uses a traditional fuel;

10 (d) The actual cost incurred by such person in purchasing OR
11 LEASING idling reduction technologies; or

12 (e) (II) Persons who claimed a tax credit in previous years for the
13 purchase OR LEASE of model year 2004 and newer hybrid vehicles are
14 eligible to claim an additional credit for the conversion of such a hybrid
15 vehicle to a plug-in hybrid electric vehicle.

16 **SECTION 2. Safety clause.** The general assembly hereby finds,
17 determines, and declares that this act is necessary for the immediate
18 preservation of the public peace, health, and safety.