



*Colorado Legislative Council Staff Fiscal Note*  
**NO FISCAL IMPACT**

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**Drafting Number:** LLS 12-0815**Date:** February 28, 2012**Prime Sponsor(s):** Rep. Singer**Bill Status:** House Finance**Fiscal Analyst:** Keshia Duncan (303-866-6289)

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**TITLE:** CONCERNING THE SPECIFICATION THAT A MOTOR VEHICLE LESSEE IS ENTITLED TO CLAIM THE INNOVATIVE MOTOR VEHICLE TAX CREDIT.

### **Summary of Legislation**

Current law allows a company leasing a motor vehicle that is eligible for the innovative tax credit to decide whether to claim the credit themselves or to pass the credit on towards the consumer. This bill specifies that the innovative motor vehicle tax credit can only be claimed by vehicle lessees.

This bill takes effect upon signature of the Governor, or upon becoming law without his signature. The bill applies to income tax years commencing on or after January 1, 2012.

### **Background**

Taxpayers who have purchased certain alternative fuel vehicles, converted a motor vehicle to use alternative fuel, or have replaced a vehicle's power source with an alternative power may claim the innovative vehicle tax credit. The amount of the refundable tax credit is based on a percentage of the difference between the new or converted vehicle and a traditional comparative vehicle. The refundable tax credit, which applies only through the 2015 income tax year, has a maximum value of \$7,500 for plug-in hybrid vehicles and \$6,000 for all other qualifying vehicles.

### **Assessment**

Since the bill only shifts the innovative vehicle tax credit claim from one entity to another, it will not affect state revenue or expenditures and is thus assessed as having no fiscal impact.

### **Departments Contacted**

Revenue