

**FINAL  
FISCAL NOTE**

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**Drafting Number:** LLS 12-0815**Date:** May 15, 2012**Prime Sponsor(s):** Rep. Singer  
Sen. Shaffer**Bill Status:** Signed Into Law**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.

The bill was signed into law by the Governor and took effect April 12, 2012. The bill applies to income tax years commencing on or after January 1, 2012.

**Background**

Taxpayers who have purchased or leased 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