

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

REREVISED

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

LLS NO. 10-0742.02 Esther van Mourik

HOUSE BILL 10-1196

HOUSE SPONSORSHIP

Ferrandino,

SENATE SPONSORSHIP

Heath,

House Committees

Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE DISQUALIFICATION OF CATEGORY 7 MOTOR**
102 **VEHICLES FROM THE STATE INCOME TAX CREDIT FOR THE**
103 **PURCHASE OF VEHICLES USING ALTERNATIVE FUELS.**

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>.)

Current law specifies that motor vehicles that meet certain federal guidelines and have a minimum fuel economy of 30 miles per gallon but less than 40 miles per gallon (category 7 motor vehicles) qualify for a state income tax credit for the purchase of vehicles using alternative fuels

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 Unamended
February 10, 2010

SENATE
2nd Reading Unamended
February 8, 2010

HOUSE
3rd Reading Unamended
February 1, 2010

HOUSE
Amended 2nd Reading
January 29, 2010

for the tax years commencing January 1, 2010, and January 1, 2011. The bill disqualifies category 7 motor vehicles from the state income tax credit for purchases of category 7 motor vehicles made on or after January 1, 2011.

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

SECTION 1. 39-22-516 (2.6) (b), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

39-22-516. Tax credit for purchase of vehicles using alternative fuels - repeal. (2.6) (b) (III) THERE SHALL BE ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, NOT TO EXCEED SIX THOUSAND DOLLARS, FOR EACH CATEGORY 7 VEHICLE PURCHASED BY SUCH PERSON ON OR AFTER JANUARY 1, 2010, BUT BEFORE JANUARY 1, 2011.

SECTION 2. 39-22-516 (2.6) (d) (I), Colorado Revised Statutes, is amended, and the said 39-22-516 (2.6) (d) is further amended BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

39-22-516. Tax credit for purchase of vehicles using alternative fuels - repeal. (2.6) (d) (I) Except as provided in subparagraph (II) of this paragraph (d), for the purposes of paragraph (c) of this subsection (2.6), the percentage of the difference in actual cost incurred or the percentage of the actual cost incurred that may be claimed as a credit pursuant to paragraph (b) of this subsection (2.6) shall be as follows:

Category:	Income tax years commencing on or after
	January 1, 2010, but prior to January 1, 2012:
Category 1	85%
Category 2	65%

1	Category 3	75%
2	Category 4	75%
3	Category 5	25%
4	Category 6	75%
5	Category 7	50%

6 (III) FOR THE PURPOSES OF PARAGRAPH (c) OF THIS SUBSECTION
7 (2.6), THE PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR
8 THE PERCENTAGE OF THE ACTUAL COST INCURRED THAT MAY BE CLAIMED
9 AS A CREDIT FOR THE PURCHASE OF A CATEGORY 7 MOTOR VEHICLE
10 PURSUANT TO SUBPARAGRAPH (III) OF PARAGRAPH (b) OF THIS
11 SUBSECTION (2.6) SHALL BE FIFTY PERCENT.

12 **SECTION 3.** Part 1 of article 21 of title 39, Colorado Revised
13 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
14 read:

15 **39-21-122. Revenue impact of 2010 tax legislation - tracking**
16 **by department.** THE DEPARTMENT OF REVENUE SHALL ACCOUNT FOR ALL
17 REVENUE ATTRIBUTABLE TO THE ENACTMENT OF HOUSE BILL 10-1196,
18 ENACTED IN 2010, AND SHALL, TO THE EXTENT SUCH INFORMATION IS
19 AVAILABLE, MAKE QUARTERLY REPORTS TO THE GENERAL ASSEMBLY
20 REGARDING THE QUARTERLY AND CUMULATIVE NET REVENUE GAIN TO THE
21 STATE RESULTING FROM THE ENACTMENT OF SAID BILL.

22 **SECTION 4. Safety clause.** The general assembly hereby finds,
23 determines, and declares that this act is necessary for the immediate
24 preservation of the public peace, health, and safety.