



States' Biofuels Statutes

STATE OF COLORADO

This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#). These statutes are placed in reverse chronological order using the date of the most recent amendment to the statute. Many biofuels laws were enacted as amendments to previously passed laws.

Current through the 2013 Legislative Session of the Colorado General Assembly.

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

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

(a) “Actual cost incurred” means the actual cost paid by the purchaser or lessee for the vehicle, conversion, or idling reduction technologies. The actual cost paid shall be calculated as the net of any credits, grants, or rebates, including federal credits, grants, or rebates for which the purchaser or lessee is eligible, but excluding the credit specified in this section.

(b) “Alternative fuel” means an alternative fuel as defined in section 25-7-106.8(1)(a), C.R.S.

(c) “Category 1” means a motor vehicle that complies with bin 1 of the federal tier 2 emissions standards published by the federal environmental protection agency in the federal register at 65 FR 6698 (February 10, 2000), as amended.

(d) “Category 2” means light duty passenger vehicle diesel-electric hybrids with a minimum fuel economy of seventy miles per gallon.

(e) “Category 3” means 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 forty percent or more.

(f)(I) “Category 4” means light duty passenger vehicle, light duty truck, and medium duty truck compressed natural gas or liquefied petroleum gas conversions certified by the United States environmental protection agency and original equipment manufacturer compressed natural gas vehicles.

(II) This paragraph (f) is repealed, effective January 1, 2014.

(g) “Category 5” means any idling reduction technologies.

(h) “Category 6” means a motor vehicle that complies with bin 2 or bin 3 of the federal tier 2 emissions standards published by the federal environmental protection agency in the federal register at 65 FR 6698 (February 10, 2000), as amended, with a minimum fuel economy of forty miles per gallon or miles per gallon gasoline equivalent or greater.

(i) “Gross vehicle weight rating” or “GVWR” shall have the same meaning as set forth in section 42-2-402(6), C.R.S.

(j) “Hybrid vehicle” means a motor vehicle with a hybrid propulsion system that operates on both electricity and an alternative fuel or traditional fuel.

(k) “Idling reduction technologies” means idling reduction devices or advanced insulation, as those terms are defined in section 4053 of the internal revenue code, as amended, exempt from federal excise tax pursuant to said section 4053.

(l) “Light duty passenger vehicle” means a private passenger vehicle, including vans, capable of seating twelve passengers or less; except that the term does not include motor homes as defined in section 42-1-102(57), C.R.S., or vehicles designed to travel on three or fewer wheels in contact with the ground.

(m) “Light duty truck” means a truck between zero and fourteen thousand pounds GVWR.

(n) “Medium duty truck” means a truck with a gross vehicle weight rating greater than fourteen thousand pounds up to twenty-six thousand pounds.

(o) “Miles per gallon gasoline equivalent” means the standard unit of measure that measures how many miles an alternative vehicle can travel on the equivalent energy of one United States gallon of traditional fuel.

(p) “Motor vehicle” means any self-propelled vehicle, including a vehicle that uses a hybrid propulsion system, that is:

(I) Titled and registered in the state; and

(II) Required to be licensed or subject to licensing for operation upon the highways of the state.

(q) “Plug-in hybrid electric vehicle” means:

(I) An original equipment manufacturer plug-in hybrid electric vehicle that can operate solely on electric power and that is capable of recharging its battery from an on-board generation source and an off-board electricity source; and

(II) A plug-in hybrid electric vehicle conversion that provides an increase in city fuel economy of seventy-five percent or more as compared to a comparable nonhybrid version vehicle for a minimum of twenty miles and that is capable of recharging its battery from an on-board generation source and an off-board electricity source. A vehicle shall be comparable if it is the same model year and the same vehicle

class as established by the United States environmental protection agency and is comparable in weight, size, and use. Fuel economy comparisons shall be made using city fuel economy standards in a manner that is substantially similar to the manner in which city fuel economy is measured in accordance with procedures set forth in 40 CFR 600, as in effect on August 8, 2005.

(r) “Power source” means the engine or motor and associated wiring, fuel lines, engine coolant system, fuel storage containers, and miscellaneous components.

(s) “Traditional fuel” means a petroleum-based motor fuel commonly used on the highways of the state in the year 2008.

(t) “Uses an alternative fuel” or “to use an alternative fuel” means to operate solely on an alternative fuel, to operate on both an alternative fuel and a traditional fuel, or to operate alternately on a traditional fuel and an alternative fuel.

(2)(a) With respect to the tax years commencing on or after January 1, 2012, but prior to January 1, 2014, there shall be allowed to any person a credit against the tax imposed by this article, not to exceed six thousand dollars, for each motor vehicle purchased or leased by such person that:

(I) Uses or is converted to use an alternative fuel;

(II) Is a hybrid vehicle;

(III) Is a plug-in hybrid electric vehicle;

(IV) Has its power source replaced with a power source that uses an alternative fuel; or

(V) Is modified to include idling reduction technology.

(b) With respect to the tax years commencing on or after January 1, 2012, but prior to January 1, 2014, there shall be allowed to any person a credit against the tax imposed by this article, not to exceed seven thousand five hundred dollars, for each motor vehicle purchased or leased by such person that is converted to a plug-in hybrid electric vehicle.

(c) If a motor vehicle is leased, the lessee, not the lessor, is allowed to claim the credit allowed pursuant to this section.

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

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

(b) The difference between the actual cost incurred by such person during the tax year in replacing an

existing power source in a motor vehicle that uses a traditional fuel with a power source that uses an alternative fuel and the cost of replacing the existing power source in the motor vehicle with the same type of power source that uses a traditional fuel;

(c) The actual cost incurred by such person during the tax year in converting the motor vehicle to a fuel system that uses an alternative fuel;

(d) The actual cost incurred by such person in purchasing or leasing idling reduction technologies; or

(e)(I) The actual cost incurred by such person during the tax year in converting a hybrid vehicle to a plug-in hybrid electric vehicle.

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

(4) For the purposes of subsection (3) of this section, 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 subsection (2) of this section shall be as follows:

Category:	Income tax years commencing on or after January 1, 2012, but prior to January 1, 2013:	Income tax years commencing on or after January 1, 2013, but prior to January 1, 2014:
Category 1	75%	75%
Category 2	45%	25%
Category 3	55%	35%
Category 4	55%	35%
Category 5	25%	25%
Category 6	10%	10%

(5) Except as provided in subparagraph (II) of paragraph (e) of subsection (3) of this section, and notwithstanding the allowance of credits for any tax years commencing on or after January 1, 2013, but prior to January 1, 2014, under this section and section 39-22-516.7, no more than one tax credit shall be granted pursuant to this section, section 39-22-516, and section 39-22-516.7, 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, 2018.

Credits: Added by Laws 2009, Ch. 416, § 4, eff. June 4, 2009. Amended by Laws 2011, Ch. 262, § 2, eff. Jan. 1, 2014; Laws 2012, Ch. 98, § 1, eff. April 12, 2012; Laws 2013, Ch. 226, §§ 5, 6, eff. May 15, 2013.

§ 39-22-516.7. Tax credit for innovative motor vehicles--definitions--repeal

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

<Text of sub-subpar. (1)(a)(I)(A) effective until Dec. 31, 2019>

(a)(I)(A) “Actual cost incurred” means the actual cost paid by the purchaser for a used motor vehicle, conversion, or idling reduction technologies minus any credits, grants, or rebates, including federal credits, grants, or rebates for which the purchaser is eligible, but excluding the credit specified in this section.

<Text of sub-subpar. (1)(a)(I)(A) effective Dec. 31, 2019>

(a)(I)(A) “Actual cost incurred” means the actual cost paid by the purchaser for a used motor vehicle or conversion minus any credits, grants, or rebates, including federal credits, grants, or rebates for which the purchaser is eligible, but excluding the credit specified in this section.

(B) “Actual cost incurred” means the manufacturer’s suggested retail price for a new motor vehicle that a person purchases minus any credits, grants, or rebates, including federal credits, grants, or rebates for which the person is eligible, but excluding the credit specified in this section.

(II) For purposes of a lease, the “actual cost incurred” means the total of payments contracted in the lease for the motor vehicle minus:

(A) Any security deposit included in the total of payments;

(B) The rent charge included in the total of payments;

(C) Any sales tax included in the total of payments;

(D) Any titling and registration fees included in the total of payments;

(E) Any disposition fee included in the total of payments;

(F) Any administrative fee or any other fee that does not reflect the value of the motor vehicle included in the total of payments; and

(G) Any credits, grants, or rebates, including federal credits, grants, or rebates for which the lessee or

lessor is eligible, but excluding the credit specified in this section.

(b) “Alternative fuel” means an alternative fuel as defined in [section 25-7-106.8\(1\)\(a\), C.R.S.](#)

(c) “Battery capacity” means the quantity of electricity that a battery is capable of storing, expressed in kilowatt hours, as measured from a one hundred percent state of charge to a zero percent state of charge.

(d) “Category 1” means an electric motor vehicle and a plug-in hybrid electric motor vehicle.

(e) “Category 1 A” means a conversion of a motor vehicle to an electric motor vehicle or a plug-in hybrid electric motor vehicle.

(f) “Category 2” means light duty passenger motor vehicle diesel-electric hybrids with a minimum fuel economy of seventy miles per gallon.

(g) “Category 3” means light duty passenger motor vehicle, light duty truck, and medium duty truck diesel-electric hybrid conversions that increase the fuel economy of the original motor vehicle by forty percent or more.

(h)(I) “Category 4” means original equipment manufacturer light duty passenger motor vehicles, light duty trucks, and medium duty trucks that are equipped to operate on compressed natural gas or on liquefied petroleum gas. For purposes of this paragraph (h), “operate on compressed natural gas or on liquefied petroleum gas” means a motor vehicle that operates exclusively on compressed natural gas or on liquefied petroleum gas or a bi-fuel motor vehicle with a multi-fuel engine capable of running on either compressed natural gas or traditional fuel, or either liquefied petroleum gas or traditional fuel.

(II) This paragraph (h) is repealed, effective December 31, 2019.

(i)(I) “Category 4 A” means light duty passenger motor vehicle, light duty truck, and medium duty truck compressed natural gas or liquefied petroleum gas conversions certified by the United States environmental protection agency. For purposes of this paragraph (i), “compressed natural gas or liquefied petroleum gas conversions” means a conversion to a motor vehicle that operates exclusively on compressed natural gas or on liquefied petroleum gas or a bi-fuel motor vehicle with a multi-fuel engine capable of running on either compressed natural gas or traditional fuel, or either liquefied petroleum gas or traditional fuel.

(II) This paragraph (i) is repealed, effective December 31, 2019.

(j)(I) “Category 5” means the installation of any idling reduction technologies on or in a motor vehicle.

(II) This paragraph (j) is repealed, effective December 31, 2019.

(k) “Electric motor vehicle” or “plug-in hybrid electric motor vehicle” means a motor vehicle that:

(I) Has a gross vehicle weight rating that does not exceed eight thousand five hundred pounds;

- (II) Has a maximum speed capability of at least fifty-five miles per hour; and
- (III) Is propelled to a significant extent by an electric motor that draws electricity from a battery that:
 - (A) Has a battery capacity of not less than four kilowatt hours; and
 - (B) Is capable of being recharged from an external source of electricity.
- (l) “Gross vehicle weight rating” or “GVWR” shall have the same meaning as set forth in [section 42-2-402\(6\), C.R.S.](#)
- (m) “Hybrid motor vehicle” means a motor vehicle with a hybrid propulsion system that operates on both electricity and an alternative fuel or traditional fuel.
- (n)(I) “Idling reduction technologies” means idling reduction devices or advanced insulation, as those terms are defined in [section 4053 of the internal revenue code](#), as amended, exempt from federal excise tax pursuant to said [section 4053](#).
- (II) This paragraph (n) is repealed, effective December 31, 2019.
- (o) “Light duty passenger motor vehicle” means a private passenger motor vehicle, including vans, capable of seating twelve passengers or less; except that the term does not include motor homes as defined in [section 42-1-102\(57\), C.R.S.](#), or motor vehicles designed to travel on three or fewer wheels in contact with the ground.
- (p) “Light duty truck” means a truck between zero and fourteen thousand pounds GVWR.
- (q) “Medium duty truck” means a truck with a gross vehicle weight rating greater than fourteen thousand pounds up to twenty-six thousand pounds.
- (r) “Motor vehicle” means a self-propelled vehicle with four wheels, including a truck and a hybrid motor vehicle, that is:
 - (I) Titled and registered in the state; and
 - (II) Required to be licensed or subject to licensing for operation upon the highways of the state.
- (s) “Traditional fuel” means a petroleum-based motor fuel commonly used on the highways of the state in the year 2008.
- (2)(a) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2022, there is allowed to any person a credit against the tax imposed by this article, not to exceed six thousand dollars, for the purchase, lease, or conversion of a motor vehicle defined as category 1, category 2, or category 3.
- (a.5)(I) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1,

2015, there is allowed to any person a credit against the tax imposed by this article, not to exceed six thousand dollars, for the purchase, lease, or conversion of a motor vehicle defined as category 4 or category 4 A.

(II) This paragraph (a.5) is repealed, effective December 31, 2019.

(b)(I) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2014, there shall be allowed to any person a credit against the tax imposed by this article, not to exceed seven thousand five hundred dollars, for the conversion of a motor vehicle defined as category 1 A.

(II) This paragraph (b) is repealed, effective December 31, 2018.

(c) With respect to the tax years commencing on or after January 1, 2014, but prior to January 1, 2022, there shall be allowed to any person a credit against the tax imposed by this article, not to exceed six thousand dollars, for the conversion of a motor vehicle defined as category 1 A.

(d)(I) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2015, there is allowed to any person a credit against the tax imposed by this article, not to exceed six thousand dollars, for category 5.

(II) This paragraph (d) is repealed, effective December 31, 2019.

(3) If a motor vehicle is leased, the lessee, not the lessor, is allowed to claim the credit allowed pursuant to this section.

(4) The amount of the credit allowed pursuant to this section is calculated as follows:

(a) **Category 1.** (I) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2019, the actual cost incurred by the taxpayer during the tax year for purchasing or leasing a category 1 motor vehicle multiplied by the battery capacity of the motor vehicle and divided by one hundred;

(II) With respect to the tax years commencing on or after January 1, 2019, but prior to January 1, 2020, seventy-five percent of the calculation specified in subparagraph (I) of this paragraph (a);

(III) With respect to the tax years commencing on or after January 1, 2020, but prior to January 1, 2021, fifty percent of the calculation specified in subparagraph (I) of this paragraph (a);

(IV) With respect to the tax years commencing on or after January 1, 2021, but prior to January 1, 2022, twenty-five percent of the calculation specified in subparagraph (I) of this paragraph (a).

(b) **Category 1 A.** (I) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2019, seventy-five percent of the actual cost incurred by the taxpayer during the tax year for the conversion of a motor vehicle defined as category 1 A;

(II) With respect to the tax years commencing on or after January 1, 2019, but prior to January 1, 2020,

seventy-five percent of the calculation specified in subparagraph (I) of this paragraph (b);

(III) With respect to the tax years commencing on or after January 1, 2020, but prior to January 1, 2021, fifty percent of the calculation specified in subparagraph (I) of this paragraph (b);

(IV) With respect to the tax years commencing on or after January 1, 2021, but prior to January 1, 2022, twenty-five percent of the calculation specified in subparagraph (I) of this paragraph (b).

(c) **Category 2.** (I) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2014, twenty-five percent of the difference between the actual cost incurred by such taxpayer during the tax year in purchasing or leasing a category 2 motor vehicle and the cost of the same motor vehicle that uses a traditional fuel or, if the same vehicle is not available, then the cost of the most similar vehicle, taking into account the model, make, engine size, and options, that uses a traditional fuel;

(II) With respect to the tax years commencing on or after January 1, 2014, but prior to January 1, 2019, fifteen percent of the difference between the actual cost incurred by such taxpayer during the tax year in purchasing or leasing a category 2 motor vehicle and the cost of the same motor vehicle that uses a traditional fuel or, if the same vehicle is not available, then the cost of the most similar vehicle, taking into account the model, make, engine size, and options, that uses a traditional fuel;

(III) With respect to the tax years commencing on or after January 1, 2019, but prior to January 1, 2020, seventy-five percent of the calculation specified in subparagraph (II) of this paragraph (c);

(IV) With respect to the tax years commencing on or after January 1, 2020, but prior to January 1, 2021, fifty percent of the calculation specified in subparagraph (II) of this paragraph (c);

(V) With respect to the tax years commencing on or after January 1, 2021, but prior to January 1, 2022, twenty-five percent of the calculation specified in subparagraph (II) of this paragraph (c).

(d) **Category 3.** (I) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2014, thirty-five percent of the actual cost incurred by a taxpayer during the tax year for the conversion of a motor vehicle defined as category 3;

(II) With respect to the tax years commencing on or after January 1, 2014, but prior to January 1, 2019, twenty-five percent of the actual cost incurred by a taxpayer during the tax year for the conversion of a motor vehicle defined as category 3;

(III) With respect to the tax years commencing on or after January 1, 2019, but prior to January 1, 2020, seventy-five percent of the calculation specified in subparagraph (II) of this paragraph (d);

(IV) With respect to the tax years commencing on or after January 1, 2020, but prior to January 1, 2021, fifty percent of the calculation specified in subparagraph (II) of this paragraph (d);

(V) With respect to the tax years commencing on or after January 1, 2021, but prior to January 1, 2022, twenty-five percent of the calculation specified in subparagraph (II) of this paragraph (d).

(e)(I) **Category 4.** (A) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2014, ten and one-half percent of the actual cost incurred by a taxpayer during the tax year in purchasing or leasing a category 4 motor vehicle;

(B) With respect to the tax years commencing on or after January 1, 2014, but prior to January 1, 2015, twelve and one-quarter percent of the actual cost incurred by a taxpayer during the tax year in purchasing or leasing a category 4 motor vehicle.

(II) This paragraph (e) is repealed, effective December 31, 2019.

(f)(I) **Category 4 A.** (A) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2014, thirty-five percent of the actual cost incurred by a taxpayer during the tax year for the conversion of a motor vehicle defined as category 4 A;

(B) With respect to the tax years commencing on or after January 1, 2014, but prior to January 1, 2015, twenty-five percent of the actual cost incurred by a taxpayer during the tax year for the conversion of a motor vehicle defined as category 4 A.

(II) This paragraph (f) is repealed, effective December 31, 2019.

(g) **Category 5.** (I) With respect to the tax years commencing on or after January 1, 2013, but prior to January 1, 2015, twenty-five percent of the actual cost incurred by a taxpayer during the tax year for category 5.

(II) This paragraph (g) is repealed, effective December 31, 2019.

(5) With respect to any model year 2004 and newer hybrid motor vehicle, notwithstanding the limitation set forth in subsection (6) of this section, a taxpayer that converts such a motor vehicle to a category 1 A motor vehicle shall be eligible for the category 1 A credit.

(6) Except as provided in subsection (5) of this section, and notwithstanding the allowance of credits for any tax years commencing on or after January 1, 2013, but prior to January 1, 2014, under this section and [section 39-22-516.5](#), no more than one tax credit shall be granted pursuant to this section and [sections 39-22-516](#), [39-22-516.5](#), and [39-22-516.8](#) for any individual motor vehicle.

(7) 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.

(8) This section is repealed, effective December 31, 2026.

Credits: Added by [Laws 2013, Ch. 226, § 2, eff. May 15, 2013](#). Amended by [Laws 2014, Ch. 357, § 3, eff. June 6, 2014](#); [Laws 2014, Ch. 357, § 4, eff. Dec. 31, 2019](#).

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

(a)(I) “Actual cost incurred” means the actual cost paid by the purchaser for a new or used truck or clean fuel refrigerated trailer, conversion of a truck or clean fuel refrigerated trailer, idling reduction technologies, or aerodynamic technologies, minus any credits, grants, or rebates, including federal credits, grants, or rebates for which the purchaser is eligible, but excluding the credit specified in this section.

(II) For purposes of a lease, “actual cost incurred” means the total of payments contracted in the lease for the truck minus:

(A) Any security deposit included in the total of payments;

(B) The rent charge included in the total of payments;

(C) Any sales tax included in the total of payments;

(D) Any titling and registration fees included in the total of payments;

(E) Any disposition fee included in the total of payments;

(F) Any administrative fee or any other fee that does not reflect the value of the truck included in the total of payments; and

(G) Any credits, grants, or rebates, including federal credits, grants, or rebates for which the lessee or lessor is eligible, but excluding the credit specified in this section.

(b) “Aerodynamic technologies” means a device on the United States environmental protection agency’s smartway verified technology list that minimizes drag and improves air flow over a truck and trailer; except that “aerodynamic technologies” do not include tires.

(c) “Alternative fuel” means an alternative fuel as defined in [section 25-7-106.8\(1\)\(a\), C.R.S.](#)

(d) “Battery capacity” means the quantity of electricity that a battery is capable of storing, expressed in kilowatt hours, as measured from a one hundred percent state of charge to a zero percent state of charge.

(e) “Bus” means a motor vehicle with a minimum seating capacity of thirty-three, including the driver.

(f) “Category 4” means original equipment manufacturer trucks that are equipped to operate on compressed natural gas or on liquefied petroleum gas. For purposes of this paragraph (f), “operate on compressed natural gas or on liquefied petroleum gas” means a truck that operates exclusively on compressed natural gas or on liquefied petroleum gas, or a bi-fuel truck with a multi-fuel engine capable of running on either compressed natural gas or traditional fuel, or on either liquefied petroleum gas or traditional fuel, or a dual-fuel truck with a multi-fuel engine capable of running on both compressed

natural gas and traditional fuel, or on both liquefied petroleum gas and traditional fuel.

(g) “Category 4 A” means compressed natural gas or liquefied petroleum gas conversions certified by the United States environmental protection agency. For purposes of this paragraph (g), “compressed natural gas or liquefied petroleum gas conversions” means a conversion to a truck that operates exclusively on compressed natural gas or on liquefied petroleum gas, or a bi-fuel truck with a multi-fuel engine capable of running on either compressed natural gas or traditional fuel, or on either liquefied petroleum gas or traditional fuel, or a dual-fuel truck with a multi-fuel engine capable of running on both compressed natural gas and traditional fuel, or on both liquefied petroleum gas and traditional fuel.

(h) “Category 4 B” means original equipment manufacturer trucks that are equipped to operate on liquefied natural gas or on hydrogen. For purposes of this paragraph (h), “operate on liquefied natural gas or on hydrogen” means a truck that operates exclusively on liquefied natural gas or on hydrogen, or a bi-fuel truck with a multi-fuel engine capable of running on either liquefied natural gas or traditional fuel, or on either hydrogen or traditional fuel, or a dual-fuel truck with a multi-fuel engine capable of running on both liquefied natural gas and traditional fuel, or on both hydrogen and traditional fuel.

(i) “Category 4 C” means liquefied natural gas or hydrogen conversions certified by the United States environmental protection agency. For purposes of this paragraph (i), “liquefied natural gas or hydrogen conversions” means a conversion to a truck that operates exclusively on liquefied natural gas or on hydrogen, or a bi-fuel truck with a multi-fuel engine capable of running on either liquefied natural gas or traditional fuel, or on either hydrogen or traditional fuel, or a dual-fuel truck with a multi-fuel engine capable of running on both liquefied natural gas and traditional fuel, or on both hydrogen and traditional fuel.

(j) “Category 5” means the installation of any idling reduction technologies on or in a truck.

(k) “Category 6” means the installation of any aerodynamic technologies on or in a truck.

(l) “Category 7” means an original equipment manufacturer electric truck and plug-in hybrid electric truck.

(m) “Category 7 A” means a conversion of a truck to an electric truck or a plug-in hybrid electric truck.

(n) “Category 8” means a clean fuel refrigerated trailer.

(o) “Category 8 A” means a conversion of a refrigerated trailer to a clean fuel refrigerated trailer.

(p) “Category 9” means a hydraulic hybrid truck.

(q) “Clean fuel refrigerated trailer” means a trailer capable of being pulled by a truck with a gross vehicle weight rating greater than fourteen thousand pounds, with a power unit and fuel storage used for climate control that:

(I)(A) Is installed on the trailer by the original equipment manufacturer; or

(B) Is installed on the trailer through a conversion certified by the United States environmental protection agency; and

(II) Operates on either compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, or electricity, or any combination thereof.

(r) “Electric truck” or “plug-in hybrid electric truck” means a truck that:

(I) Has a gross vehicle weight rating that exceeds eight thousand five hundred pounds;

(II) Has a maximum speed capability of at least fifty-five miles per hour; and

(III) Is propelled to a significant extent by an electric motor that draws electricity from a battery that:

(A) Has a battery capacity of not less than four kilowatt hours; and

(B) Is capable of being recharged from an external source of electricity.

(s) “Gross vehicle weight rating” or “GVWR” has the same meaning as set forth in [section 42-2-402\(6\), C.R.S.](#)

(t) “Heavy duty truck” means a truck with a gross vehicle weight rating greater than twenty-six thousand pounds.

(u) “Hybrid truck” means a truck with a hybrid propulsion system that operates on both electricity and an alternative fuel or traditional fuel.

(v) “Hydraulic hybrid truck” means the conversion of a truck with a gross vehicle weight rating of more than fourteen thousand pounds to a truck with a hybrid propulsion system that operates on both pressurized fluid and either compressed natural gas, liquified natural gas, liquified petroleum gas, hydrogen, electricity, or a traditional fuel; except that the converted hydraulic hybrid truck must increase the fuel economy of the original truck.

(w) “Idling reduction technologies” means idling reduction devices or advanced insulation, as those terms are defined in [section 4053 of the internal revenue code](#), as amended, that are exempt from federal excise tax pursuant to said [section 4053](#).

(x) “Light duty electric truck” means an electric truck with a gross vehicle weight rating less than or equal to ten thousand pounds but does not include a light duty passenger motor vehicle.

(y) “Light duty passenger motor vehicle” means a private passenger motor vehicle, including vans, capable of seating twelve passengers or less; except that the term does not include motor homes as defined in [section 42-1-102\(57\), C.R.S.](#), or motor vehicles designed to travel on three or fewer wheels in contact with the ground.

(z) “Light duty truck” means a truck with a gross vehicle weight rating less than or equal to fourteen

thousand pounds but does not include a light duty passenger motor vehicle.

(aa) “Medium duty electric truck” means an electric truck with a gross vehicle weight rating greater than ten thousand pounds and up to twenty-six thousand pounds.

(bb) “Medium duty truck” means a truck with a gross vehicle weight rating greater than fourteen thousand pounds and up to twenty-six thousand pounds.

(cc) “Traditional fuel” means a petroleum-based motor fuel commonly used on the highways of the state in the year 2008.

(dd) “Trailer” has the same meaning as in [section 42-1-102\(105\), C.R.S.](#)

(ee) “Truck” has the same meaning as in [section 42-1-102\(108\), C.R.S.](#), includes a hybrid truck, a light duty passenger motor vehicle, and a bus, has a maximum speed capability of at least fifty-five miles per hour, is licensed or subject to licensing for operation upon the highways of the state, and is either:

(I) Titled and registered in the state; or

(II) Registered under the international registration plan and base plated in the state.

(2) **Category 4.** (a) Except as provided in subsection (14) of this section, with respect to the income tax years commencing on or after January 1, 2014, but before January 1, 2022, there is allowed to any person a credit against the tax imposed by this article as a percentage set forth in paragraph (b) of this subsection (2) of the actual cost incurred by the taxpayer during the tax year for each purchase or lease of a category 4 truck, not to exceed the amount set forth in paragraph (b) of this subsection (2). For purposes of the income tax year commencing on or after January 1, 2014, but before January 1, 2015, the purchase or lease of a category 4 truck must occur on or after July 1, 2014, but before January 1, 2015.

Income tax year commencing:

(b)

1/1/2014				1/1/2021 but	Cap per
1/1/2015	1/1/2017			before	income tax
1/1/2016	1/1/2018	1/1/2019	1/1/2020	1/1/2022	year

Light duty passenger motor vehicle	18%	15%	11.25%	7.5%	3.75%	\$6,000
Light duty truck	18%	15%	11.25%	7.5%	3.75%	\$7,500
Medium duty truck	18%	15%	11.25%	7.5%	3.75%	\$15,000
Heavy duty truck	18%	15%	11.25%	7.5%	3.75%	\$20,000

(3) **Category 4 A.** (a) Except as provided in subsection (14) of this section, with respect to the income tax years commencing on or after January 1, 2014, but before January 1, 2022, there is allowed to any person a credit against the tax imposed by this article as a percentage set forth in paragraph (b) of this subsection (3) of the actual cost incurred by the taxpayer during the tax year for the conversion of a category 4 A truck, not to exceed the amount set forth in paragraph (b) of this subsection (3). For purposes of the income tax year commencing on or after January 1, 2014, but before January 1, 2015, the conversion of a category 4 A truck must occur on or after July 1, 2014, but before January 1, 2015.

Income tax year commencing:

(b)

	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 but before 1/1/2022	Cap per income tax year
Light duty passenger motor vehicle	55%	45%	33.75%	22.5%	11.25%	\$6,000
Light duty truck	55%	45%	33.75%	22.5%	11.25%	\$7,500

Medium duty truck	55%	45%	33.75%	22.5%	11.25%	\$15,000
Heavy duty truck	55%	45%	33.75%	22.5%	11.25%	\$20,000

(4) **Category 4 B.** (a) Except as provided in subsection (14) of this section, with respect to the income tax years commencing on or after January 1, 2014, but before January 1, 2022, there is allowed to any person a credit against the tax imposed by this article as a percentage set forth in paragraph (b) of this subsection (4) of the actual cost incurred by the taxpayer during the tax year for each purchase or lease of a category 4 B truck, not to exceed the amount set forth in paragraph (b) of this subsection (4). For purposes of the income tax year commencing on or after January 1, 2014, but before January 1, 2015, the purchase or lease of a category 4 B truck must occur on or after July 1, 2014, but before January 1, 2015.

	Income tax year commencing:						Cap per income tax year
	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 but before 1/1/2022		
Light duty passenger motor vehicle	18%	15%	11.25%	7.5%	3.75%	\$6,000	
Light duty truck	18%	15%	11.25%	7.5%	3.75%	\$7,500	
Medium duty truck	18%	15%	11.25%	7.5%	3.75%	\$15,000	
Heavy duty truck	18%	15%	11.25%	7.5%	3.75%	\$20,000	

(5) **Category 4 C.** (a) Except as provided in subsection (14) of this section, with respect to the income tax years commencing on or after January 1, 2014, but before January 1, 2022, there is allowed to any

person a credit against the tax imposed by this article as a percentage set forth in paragraph (b) of this subsection (5) of the actual cost incurred by the taxpayer during the tax year for the conversion of a category 4 C truck, not to exceed the amount set forth in paragraph (b) of this subsection (5). For purposes of the income tax year commencing on or after January 1, 2014, but before January 1, 2015, the conversion of a category 4 C truck must occur on or after July 1, 2014, but before January 1, 2015.

(b)	Income tax year commencing:						Cap per income tax year
	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 but before 1/1/2022		
Light duty passenger motor vehicle	55%	45%	33.75%	22.5%	11.25%	\$6,000	
Light duty truck	55%	45%	33.75%	22.5%	11.25%	\$7,500	
Medium duty truck	55%	45%	33.75%	22.5%	11.25%	\$15,000	
Heavy duty truck	55%	45%	33.75%	22.5%	11.25%	\$20,000	

(6) **Category 5.** With respect to the income tax years commencing on or after January 1, 2015, but before January 1, 2022, there is allowed to any person a credit against the tax imposed by this article of twenty-five percent of the actual cost incurred by the taxpayer during a tax year for category 5, not to exceed six thousand dollars.

(7) **Category 6.** With respect to the income tax years commencing on or after January 1, 2014, but before January 1, 2022, there is allowed to any person a credit against the tax imposed by this article of twenty-five percent of the actual cost incurred by the taxpayer during a tax year for category 6, not to exceed six thousand dollars for each installed device and not to exceed fifty thousand dollars during a tax year for the installation of multiple devices. For purposes of the income tax year commencing on or after January 1, 2014, but before January 1, 2015, the installation must occur on or after July 1, 2014, but before January 1, 2015.

(8) **Category 7.** (a) Except as provided in subsection (14) of this section, with respect to the income tax years commencing on or after January 1, 2014, but before January 1, 2022, there is allowed to any person a credit against the tax imposed by this article as a percentage set forth in paragraph (b) of this

subsection (8) of the actual cost incurred by the taxpayer during the tax year for each purchase or lease of a category 7 truck, not to exceed the amount set forth in paragraph (b) of this subsection (8). For purposes of the income tax year commencing on or after January 1, 2014, but before January 1, 2015, the purchase or lease of a category 7 truck must occur on or after July 1, 2014, but before January 1, 2015.

(b) Income tax year commencing:

	1/1/2014 1/1/2015 1/1/2016	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 but before 1/1/2022	Cap per income tax year
Light duty passenger motor vehicle over 8,500 GVWR	18%	15%	11.25%	7.5%	3.75%	\$6,000
Light duty electric truck	18%	15%	11.25%	7.5%	3.75%	\$7,500
Medium duty electric truck	18%	15%	11.25%	7.5%	3.75%	\$15,000
Heavy duty truck	18%	15%	11.25%	7.5%	3.75%	\$20,000

(9) **Category 7 A.** (a) Except as provided in subsection (14) of this section, with respect to the income tax years commencing on or after January 1, 2014, but before January 1, 2022, there is allowed to any person a credit against the tax imposed by this article as a percentage set forth in paragraph (b) of this subsection (9) of the actual cost incurred by the taxpayer during the tax year for the conversion of a category 7 A truck, not to exceed the amount set forth in paragraph (b) of this subsection (9). For purposes of the income tax year commencing on or after January 1, 2014, but before January 1, 2015, the conversion of a category 7 A truck must occur on or after July 1, 2014, but before January 1, 2015.

(b) Income tax year commencing:

	1/1/2014 1/1/2015	1/1/2017 1/1/2018	1/1/2019	1/1/2020	1/1/2021 but before	Cap per income tax
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	1/1/2016				1/1/2022		year
Light duty passenger motor vehicle with a GVWR over 8,500 lbs	55%	45%	33.75%	22.5%	11.25%		\$6,000
Light duty electric truck	55%	45%	33.75%	22.5%	11.25%		\$7,500
Medium duty electric truck	55%	45%	33.75%	22.5%	11.25%		\$15,000
Heavy duty truck	55%	45%	33.75%	22.5%	11.25%		\$20,000

(10) **Category 8.** (a) With respect to the income tax years commencing on or after January 1, 2014, but before January 1, 2022, there is allowed to any person a credit against the tax imposed by this article as a percentage set forth in paragraph (b) of this subsection (10) of the actual cost incurred by the taxpayer during the tax year for each purchase or lease of a category 8 trailer, not to exceed the amount set forth in paragraph (b) of this subsection (10). For purposes of the income tax year commencing on or after January 1, 2014, but before January 1, 2015, the purchase or lease of a category 8 trailer must occur on or after July 1, 2014, but before January 1, 2015.

Income tax year commencing:

(b)

	1/1/2014	1/1/2015	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021 but before 1/1/2022	Cap per income tax year
Category 8	18%		15%		11.75%	7.5%	3.75%	\$7,500

(11) **Category 8 A.** (a) With respect to the income tax years commencing on or after January 1, 2014, but before January 1, 2022, there is allowed to any person a credit against the tax imposed by this article as a percentage set forth in paragraph (b) of this subsection (11) of the actual cost incurred by the taxpayer during the tax year for the conversion of a refrigerated trailer to a category 8 A trailer, not to exceed the amount set forth in paragraph (b) of this subsection (11). For purposes of the income tax year commencing on or after January 1, 2014, but before January 1, 2015, the conversion of a refrigerated trailer to a category 8 A trailer must occur on or after July 1, 2014, but before January 1, 2015.

Income tax year commencing:

(b)

	1/1/2014	1/1/2015	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021 but before 1/1/2022	Cap per income tax year
Category 8 A	18%		15%		11.75%	7.5%	3.75%	\$7,500

Category 8 A	55%	45%	33.75%	22.5%	11.25%	\$7,500
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(11.5) **Category 9.** (a) Except as otherwise provided in subsection (14) of this section, with respect to the income tax years commencing on or after January 1, 2014, but before January 1, 2022, there is allowed to any person a credit against the tax imposed by this article as a percentage set forth in paragraph (b) of this subsection (11.5) of the actual cost incurred by the taxpayer during the tax year for the conversion of a category 9 truck, not to exceed the amount set forth in paragraph (b) of this subsection (11.5).

Income tax year commencing:

(b)

	1/1/2014	1/1/2015	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021 but before 1/1/2022	Cap per income tax year
Category 9	55%	45%	33.75%	22.5%	11.25%	\$6,000		

(12) A taxpayer claiming the credit authorized by this section shall not claim the credit in an amount that exceeds the incremental cost of the actual cost incurred for the category 4, 4 A, 4 B, 4 C, 7, or 7 A truck or motor vehicle over the manufacturer’s suggested retail price of a comparable traditional fuel truck or light duty passenger motor vehicle.

(13) 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 must be refunded to the taxpayer.

(14)(a) During the calendar year ending December 31, 2018, the Colorado energy office created in [section 24-38.5-101, C.R.S.](#), shall determine whether category 4, 4 A, 4 B, 4 C, 7, 7 A, or 9 medium or heavy duty trucks generate life-cycle emissions materially greater than comparable medium or heavy duty trucks using traditional fuel. Such a life-cycle analysis must include the direct emissions regulated by the United States environmental protection agency or by the department of public health and environment that are associated with producing, transporting, and using the alternative or traditional fuels. The Colorado energy office shall consider the likely adoption of future technology at each stage of the life-cycle.

(b) In making the determinations described in paragraph (a) of this subsection (14), the Colorado energy office shall consider public input, any analysis or reports prepared by the department of public health and environment, other states, or the United States environmental protection agency, and any peer-reviewed studies conducted in the United States that evaluate similar matters.

(c) In the event that category 4, 4 A, 4 B, 4 C, 7, 7 A, or 9 medium or heavy duty trucks are shown to generate life-cycle emissions materially greater than comparable traditional fuel trucks, then the Colorado energy office shall notify the department of revenue that no tax credit specified in this section is available for such trucks for the income tax years commencing on or after January 1, 2019, but before January 1, 2022; except that the Colorado energy office may determine if a particular category 4, 4 A, 4

B, 4 C, 7, 7 A, or 9 truck model or engine does not generate life-cycle emissions materially greater than a comparable traditional fuel truck model or engine and is thus allowed a credit for a given income tax year, or the Colorado energy office may allow a credit if the taxpayer can demonstrate that the taxpayer has a long-term fuel contract for his or her category 4, 4 A, 4 B, 4 C, 7, 7 A, or 9 truck from a green fuel provider, such that the life-cycle emissions from such truck are not materially greater than the emissions of a comparable traditional fuel truck. For purposes of this paragraph (c), “green fuel provider” means the alternative fuel is produced and delivered by providers that have adopted best practices for low life-cycle emissions. On or before January 1, 2019, and on or before each January 1 thereafter through January 1, 2021, the Colorado energy office and the department of revenue shall, through their respective web sites, specify which category 4, 4 A, 4 B, 4 C, 7, 7 A, or 9 medium or heavy duty trucks are not allowed a credit for a given income tax year.

(15) No more than one tax credit shall be granted pursuant to this section and [sections 39-22-516](#), [39-22-516.5](#), and [39-22-516.7](#) for any individual motor vehicle or truck.

(16) This section is repealed, effective December 31, 2026.

Credits: Added by [Laws 2014, Ch. 357, § 2](#), eff. [June 6, 2014](#).