

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 25-1075.01 Alison Killen x4350

SENATE BILL 25-320

SENATE SPONSORSHIP

Bridges and Kirkmeyer, Amabile

HOUSE SPONSORSHIP

Bird and Taggart, Sirota

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING COMMERCIAL MOTOR VEHICLE TRANSPORTATION, AND,**
102 **IN CONNECTION THEREWITH, REINSTATING AND EXTENDING THE**
103 **SALES AND USE TAX EXEMPTION FOR CERTAIN HEAVY-DUTY**
104 **MOTOR VEHICLES, COMPONENTS, AND PARTS, AND ADJUSTING**
105 **THE BRIDGE AND TUNNEL IMPACT FEE SCHEDULE FOR STATE**
106 **FISCAL YEARS 2025-26 THROUGH 2027-28.**

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://leg.colorado.gov>.)

Joint Budget Committee. Prior to January 1, 2025, certain

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

heavy-duty motor vehicles, vehicle power sources, and parts for vehicle power source conversion which met specified federal or state law requirements related to greenhouse gas emission reduction were exempt from state sales and use tax. **Section 1** of the bill reinstates the tax exemption for the period beginning on and after August 1, 2025, but prior to January 1, 2029, and clarifies the intent of the tax expenditure.

Section 2 increases the amount of the bridge and tunnel impact fee (fee) to be imposed per gallon of special fuel by the statewide bridge and tunnel enterprise from \$0.05 per gallon to \$0.07 per gallon for state fiscal year 2025-26, from \$0.06 per gallon to \$0.07 per gallon for state fiscal year 2026-27, and from \$0.07 per gallon to \$0.08 per gallon for state fiscal year 2027-28.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-26-719, **amend**
3 (1)(a) introductory portion, (1)(c), (2)(b)(I) introductory portion, and
4 (2)(b)(III); **repeal** (2)(b)(I)(A); and **add** (1.5) as follows:

5 **39-26-719. Motor vehicles - tax preference performance**
6 **statement - definitions - repeal.** (1) (a) Prior to January 1, 2025, AND ON
7 AND AFTER AUGUST 1, 2025, BUT PRIOR TO JANUARY 1, 2029, there shall
8 be exempt from taxation under the provisions of part 1 of this article 26
9 the sale of any motor vehicle, power source for any motor vehicle, or
10 parts used for converting the power source for any motor vehicle, if:

11 (c) This subsection (1) is repealed, effective ~~December 31, 2028~~
12 DECEMBER 31, 2032.

13 (1.5) (a) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
14 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE OR
15 EXTENDS AN EXPIRING TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE
16 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE
17 DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE
18 PURPOSES OF THE TAX EXEMPTION PROVIDED IN THIS SECTION ARE, BY
19 PROVIDING AN EXEMPTION FROM TAXATION PURSUANT TO THE PROVISIONS

1 OF PART 1 OR PART 2 OF THIS ARTICLE 26:

2 (I) TO PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES AND
3 INDIVIDUALS, SPECIFICALLY BUSINESSES AND INDIVIDUALS THAT
4 PURCHASE, STORE, USE, OR CONSUME LOW-EMITTING HEAVY MOTOR
5 VEHICLES, POWER SOURCES FOR SUCH MOTOR VEHICLES, OR PARTS USED
6 FOR CONVERTING THE POWER SOURCE OF MOTOR VEHICLES TO A
7 LOW-EMITTING POWER SOURCE; AND

8 (II) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS,
9 SPECIFICALLY THE SALE, PURCHASE, STORAGE, USE, AND CONSUMPTION OF
10 LOW-EMITTING HEAVY MOTOR VEHICLES, POWER SOURCES FOR SUCH
11 MOTOR VEHICLES, AND PARTS USED FOR CONVERTING THE POWER SOURCES
12 OF MOTOR VEHICLES TO A LOW-EMITTING POWER SOURCE.

13 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
14 MEASURE THE EFFECTIVENESS OF THE EXEMPTION IN ACHIEVING THE
15 PURPOSE SPECIFIED IN SUBSECTION (1.5)(a) OF THIS SECTION BASED ON
16 THE NUMBER AND VALUE OF EXEMPTIONS CLAIMED.

17 (2) The following shall be exempt from taxation under the
18 provisions of part 2 of this article 26:

19 (b) (I) Prior to January 1, 2025, AND ON AND AFTER AUGUST 1,
20 2025, BUT PRIOR TO JANUARY 1, 2029, the storage, use, or consumption
21 of a motor vehicle, power source for a motor vehicle, and parts used for
22 converting the power source of a motor vehicle, if:

23 ~~(A) For sales occurring on or before June 30, 2014, the gross~~
24 ~~vehicle weight rating of the motor vehicle is greater than ten thousand~~
25 ~~pounds and if the motor vehicle, power source, or parts used for~~
26 ~~converting the power source are certified by the United States~~
27 ~~environmental protection agency or any state as provided in the federal~~

1 ~~"Clean Air Act" as meeting an emission standard equal to or more~~
2 ~~stringent than the low-emitting vehicle emission standard;~~

3 (III) This subsection (2)(b) is repealed, effective ~~December 31,~~
4 2028 DECEMBER 31, 2032.

5 **SECTION 2.** In Colorado Revised Statutes, 43-4-805, **amend**
6 (5)(g.5)(II)(F) and (5)(g.5)(II)(G); and **repeal** (5)(g.5)(II)(D) and
7 (5)(g.5)(II)(E) as follows:

8 **43-4-805. Statewide bridge enterprise - creation - board -**
9 **funds - powers and duties - legislative declaration - definitions.** (5) In
10 addition to any other powers and duties specified in this section, the
11 bridge enterprise board has the following powers and duties:

12 (g.5) (II) For each gallon of special fuel acquired, sold, offered for
13 sale, or used in this state during state fiscal years 2022-23 through
14 2031-32, the bridge enterprise shall impose the bridge and tunnel impact
15 fee in an amount of up to:

16 (D) ~~Five cents per gallon for state fiscal year 2025-26;~~

17 (E) ~~Six cents per gallon for state fiscal year 2026-27;~~

18 (F) Seven cents per gallon for state fiscal ~~year 2027-28~~ YEARS
19 2025-26 AND 2026-27; and

20 (G) Eight cents per gallon for state fiscal ~~years 2028-29~~ YEARS
21 2027-28 through 2031-32.

22 **SECTION 3. Safety clause.** The general assembly finds,
23 determines, and declares that this act is necessary for the immediate
24 preservation of the public peace, health, or safety or for appropriations for
25 the support and maintenance of the departments of the state and state
26 institutions.