

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

REVISED

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

LLS NO. 25-1075.01 Alison Killen x4350

SENATE BILL 25-320

SENATE SPONSORSHIP

Bridges and Kirkmeyer, Amabile, Hinrichsen

HOUSE SPONSORSHIP

Bird and Taggart, Sirota

Senate Committees

Appropriations

House Committees

Appropriations

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, ADJUSTING THE**
105 **BRIDGE AND TUNNEL IMPACT FEE SCHEDULE FOR STATE FISCAL**
106 **YEARS 2025-26 THROUGH 2027-28, AND MAKING AN**
107 **APPROPRIATION.**

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>.)

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.

HOUSE
2nd Reading Unamended
May 3, 2025

SENATE
3rd Reading Unamended
May 2, 2025

SENATE
Amended 2nd Reading
May 1, 2025

Joint Budget Committee. Prior to January 1, 2025, certain 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 JANUARY 1, 2034.

13 (1.5) 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

1 PURPOSES OF THE TAX EXEMPTION PROVIDED IN THIS SECTION ARE, BY
2 PROVIDING AN EXEMPTION FROM TAXATION PURSUANT TO THE PROVISIONS
3 OF PART 1 OR PART 2 OF THIS ARTICLE 26:

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

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

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

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

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

1 ~~stringent than the low-emitting vehicle emission standard;~~

2 (III) This subsection (2)(b) is repealed, effective ~~December 31,~~
3 ~~2028~~ JANUARY 1, 2034.

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

7 **43-4-805. Statewide bridge enterprise - creation - board -**
8 **funds - powers and duties - legislative declaration - definitions.** (5) In
9 addition to any other powers and duties specified in this section, the
10 bridge enterprise board has the following powers and duties:

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

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

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

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

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

21 **SECTION 3. Appropriation.** For the 2025-26 state fiscal year,
22 \$3,959 is appropriated to the department of revenue. This appropriation
23 is from the Colorado DRIVES vehicle services account in the highway
24 users tax fund created in section 42-1-211 (2), C.R.S. To implement this
25 act, the department may use this appropriation as follows:

26 (a) \$315 for use by the executive director's office for personal
27 services related to administration and support;

1 (b) \$396 for the purchase of information technology services; and
2 (c) \$224 for use by the division of motor vehicles for personal
3 services related to vehicle services; and
4 (d) \$3,024 for use by the division of motor vehicles for DRIVES
5 maintenance and support.

6 **SECTION 4. Safety clause.** The general assembly finds,
7 determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, or safety or for appropriations for
9 the support and maintenance of the departments of the state and state
10 institutions.