Electric Lawn Equipment Credit

Tax Expenditure Evaluation • December 2025 • 2025-TE14

OFFICE OF THE STATE AUDITOR
COLORADO

Tax Type:	**Income**
Expenditure Type:	**Credit**
Statutory Citation:	**Section 39-22-550, C.R.S.**
Year Enacted:	**2023**
Repeal/Expiration Date:	**December 31, 2026**
Revenue Impact (2024):	**Unable to determine**

Purpose given in statute or enacting legislation? **Yes**

The Electric Lawn Equipment Credit allows retailers to claim a 33 percent refundable income tax credit on eligible sales of new, electric-powered lawn equipment—including lawn mowers, leaf blowers, trimmers, and snowblowers—on which the retailer has chosen to give a 30 percent discount to consumers. Senate Bill 23-016 created the Electric Lawn Equipment Credit as part of a broader legislative goal to address climate change, air pollution, and greenhouse gas emissions in Colorado.

According to statute, the purpose of the Electric Lawn Equipment Credit is to "incentivize the voluntary transition from gasoline-powered to electric-powered lawn equipment" and "induce certain designated behaviors by taxpayers, specifically the purchase of electric-powered lawn equipment" [Sections 39-22-550(1)(a)(III) and (b)(I), C.R.S.]. Due to statutory requirements on the timing of our tax expenditure evaluation reports, we have published this report before Department data on the credit is available but will publish an addendum that summarizes the credit's estimated use once the data is available.

We identified some issues with the Electric Lawn Equipment Credit's operation that likely decrease its effectiveness:

- The extended timing difference between the date when retailers provide the discount to the purchaser and the date when they receive the credit places a financial burden on retailers, which appears to reduce the impact of the credit. Some retailers reported that they cannot afford to, or do not wish to, provide the 30 percent discount on all qualifying electric lawn equipment, and at least one retailer opted not to offer the discount or receive the credit due to this financial burden.

- Some retailers expressed confusion about whether the credit has to be applied to all eligible lawn equipment and whether they can choose which types of lawn equipment, makes, and models to apply it to.

- Smaller retailers generally reported that the credit imposes a significant administrative burden on their business, which may dissuade them from deciding to provide the discount and claim the credit.

- The credit's effectiveness at incentivizing consumers to buy electric lawn equipment likely depends on the type of equipment and the needs of the purchaser.

The Department does not collect data on gas-powered lawn equipment sales in Colorado, so the Department's data will not allow the OSA or the General Assembly to determine whether the credit has reduced the sale of gas-powered lawn equipment, as directed by statute. When the Department provides our office with data on the use of the credit, the data will not provide complete information on the use of the credit in Tax Year 2024 and will not be sufficient to determine the extent to which the credit is incentivizing the transition from gas-powered to electric-powered lawn equipment. We also identified several other factors that likely impact sales of gas or electric lawn equipment that should be taken into consideration when reviewing future data on the use of the credit:

- Preexisting market trends indicate that consumer purchases of electric lawn equipment were already increasing before the credit became available.

- Legal restrictions on the use of gas-powered lawn equipment in some areas of the state may cause some commercial landscapers to switch to electric lawn equipment.

- Other funding programs may be influencing some purchasers to buy and use electric lawn equipment.

Policy Considerations

If the General Assembly extends the Electric Lawn Equipment Credit past January 1, 2027, legislators could consider making the following changes to the credit:

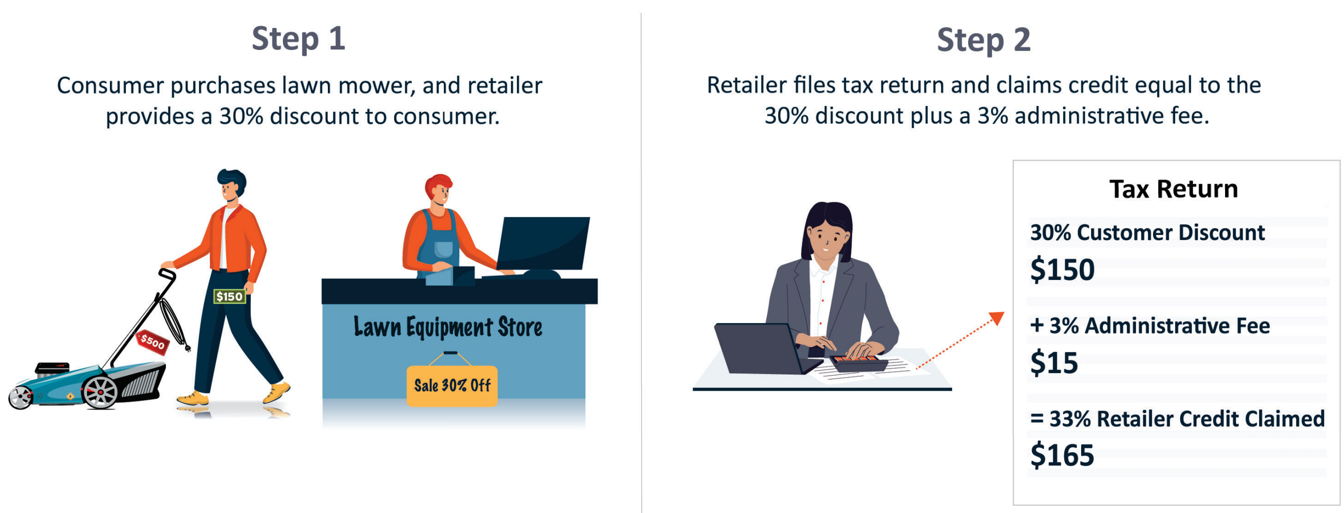
- The General Assembly may want to consider modifying the credit to address some issues that might impact its effectiveness or consider alternative policy approaches to reduce the use of gas-powered lawn equipment, such as rebates or trade-in programs.
- The General Assembly may want to amend statute to ensure that the performance measure for the credit aligns with the available data.

Electric Lawn Equipment Credit

Background

The Electric Lawn Equipment Credit allows retailers to claim a 33 percent refundable income tax credit on eligible sales of new, electric-powered lawn equipment—including lawn mowers, leaf blowers, trimmers, and snowblowers—on which the retailer has chosen to give a 30 percent discount to consumers. The credit is calculated as 33 percent of the equipment's price before the discount, and under statute, the 3 percent difference between the amount of the credit and the discount provided to consumers is an "administrative fee" that the retailer can retain. The credit is available for Tax Years 2024 through 2026. Exhibit 1 shows how the discount and administrative fee would be calculated on an electric lawn mower with an undiscounted price of $500.

Exhibit 1
Example Calculation of Electric Lawn Equipment Credit



Source: Office of the State Auditor analysis of Section 39-22-550(3), C.R.S.

Eligible electric lawn equipment may be either corded or battery-powered, but some types of equipment, including chainsaws and snowplows, are not eligible for the credit. Additionally, the sale must occur during the retailer's tax year, and neither wholesale sales nor online sales to out-of-state customers are eligible.

Statute requires retailers to meet all of the following requirements in order to qualify for the credit:

- Hold a sales tax license, have filed monthly sales tax returns on time and showing a tax liability for at least 12 months, and have paid monthly sales taxes due;

- Register for the credit with the Department of Revenue (Department), which has created an online registration and reporting system for this credit;

- Provide a 30 percent discount on eligible electric lawn equipment at the time it is sold and show the discount as a separate line on the customer's receipt or invoice; and

- Submit quarterly sales information on eligible sales to the Department.

Senate Bill 23-016 ("Concerning Measures to Promote Reductions in Greenhouse Gas Emissions in Colorado…") created the Electric Lawn Equipment Credit as part of a broader legislative goal to address climate change, air pollution, and greenhouse gas emissions in Colorado. Colorado has a statutory goal to reduce greenhouse gas emissions by 100 percent (compared to 2005 levels) by 2050, with interim greenhouse gas reduction targets of 26 percent by 2025 and 50 percent by 2030. Although some data on lawn equipment emissions exists, we found that this data was not sufficient to quantify how much lawn equipment in Colorado contributes to greenhouse gas emissions. For example:

- Colorado's Air Pollution Control Division, housed within the Department of Public Health and Environment, collects emissions information from industries across Colorado, but lawn equipment is not subject to annual emissions reporting requirements.

- The U.S. Environmental Protection Agency's (EPA) Motor Vehicle Emissions Simulator (MOVES) provides non-road emissions estimates that include lawn equipment, but this model relies on data and algorithms from 1998 to generate its estimates and does not account for recent industry trends such as efficiency improvements in gas-powered engines and the increased adoption of electric-powered lawn equipment. MOVES also assumes that electric-powered lawn equipment does not produce any emissions, but the electricity used for electric-powered lawn equipment may have been generated using emissions-producing methods, and the disposal of batteries used in this equipment can also contribute to emissions.

According to statute, the purpose of the Electric Lawn Equipment Credit is to "incentivize the voluntary transition from gasoline-powered to electric-powered lawn equipment" and "induce certain designated behaviors by taxpayers, specifically the purchase of electric-powered lawn equipment" [Sections 39-22-550(1)(a)(III) and (b)(I), C.R.S.]. Although retailers that make eligible sales are the direct beneficiaries of this credit, most of the credit's monetary value is passed on to the purchasers of electric lawn equipment, so we considered the purchasers to be the credit's primary beneficiaries. Statute also prescribes a performance measure for this credit, stating that the credit "meets its purpose if sales of new, gasoline-powered lawn equipment are significantly reduced within five years after the tax credit becomes effective…" [Section 39-22-550(5), C.R.S.].

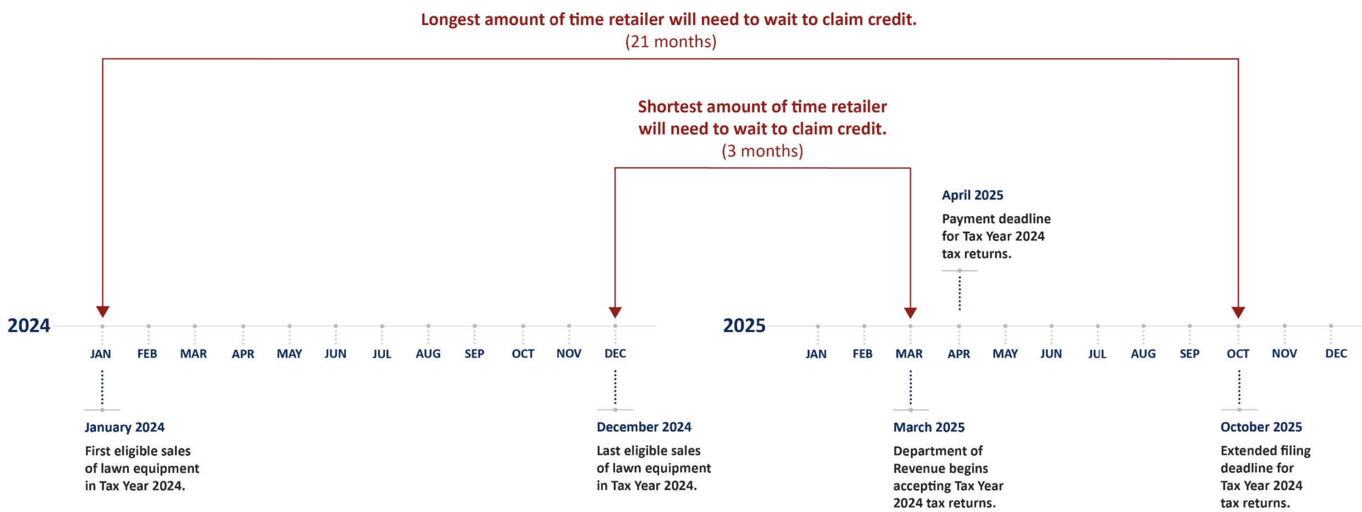
Due to statutory requirements on the timing of our tax expenditure evaluation reports, we have published this report before Department data on the credit is available. We will publish an addendum that summarizes the credit's estimated use once the data is available. Specifically, statute requires the Office of the State Auditor (OSA) to endeavor to issue an evaluation "so that the evaluation report…is available during the legislative session held in the calendar year before the tax expenditure is scheduled to repeal" [Section 39-21-305(1)(d)(I), C.R.S.]. Since this credit is scheduled to expire after Tax Year 2026, our office will publish this report in time for the 2026 Legislative Session. Additionally, although statute requires the Department to provide annual reports containing data on this credit to our office, Department staff reported that they will not be able to provide us with data before the statutory deadline of January 1, 2026, because they had not yet developed the report's contents and did not anticipate having the resources to do so until the deadline. Finally, since the Department's data is unlikely to allow us to come to a definitive conclusion on whether the credit is meeting its purpose (see "Evaluation Results," below), we decided to publish this report without Department data so that legislators could access the report in advance of the 2026 Legislative Session.

Evaluation Results

We identified some issues with the Electric Lawn Equipment Credit's operation that likely decrease its effectiveness. We spoke to a sample of 14 retailers that sell lawn equipment in Colorado in order to assess whether the credit appears to be impacting consumer purchasing decisions and to identify any potential issues with the credit, and we received responses from 4 large stores (representing 3 retailers operating nationwide) and 8 small retailers (operating exclusively in Colorado with less than 5 locations). Although we only spoke with a small sample of lawn equipment retailers in Colorado, multiple retailers identified each of the issues presented here, which suggests that some other retailers in the state may also be experiencing these issues.

- **First, the extended timing difference between the date when retailers provide the discount to the purchaser and the date when they receive the credit places a financial burden on retailers, which appears to reduce the impact of the credit. Some retailers reported that they cannot afford to, or do not wish to, provide the 30 percent discount on all qualifying electric lawn equipment, and at least one retailer opted not to offer the 30 percent discount or receive the credit due to this financial burden.** Overall, stakeholders indicated that it is costly to absorb the 30 percent point-of-sale discount for an entire year's worth of qualifying sales until they can recoup the income lost due to the discounts by claiming the 33 percent credit on their income tax return. For example, S corporations filing on a calendar year basis that claim the credit in Tax Year 2024 will generally have to wait 3 to 10 months to claim the credit for sales made at the end of their income tax year and 14 to 21 months for sales made at the beginning of their income tax year. Exhibit 2 shows the shortest and longest amount of time an S corporation filing on a calendar year basis would need to wait to claim the credit for Tax Year 2024 depending on when the eligible sale occurred and when the retailer files their income tax return. The overall length of time any retailer will need to wait to claim the credit will be similar to what is presented in Exhibit 2 but may vary by a couple of months depending on the taxpayer and the tax year.

Exhibit 2
Timeline to Claim the Credit for a Retailer Filing as an S Corporation on a Calendar Year Basis[1]
Tax Year 2024



Source: Office of the State Auditor analysis of Department of Revenue income tax forms and other guidance documents.
[1]The timeline shown here applies only to S corporations that are filing on a calendar year basis in Tax Year 2024.

A number of smaller retailers reported that the financial burden imposed by this timing difference has caused them to limit the discount's availability—generally, by offering the discount on only a portion of the electric lawn equipment that they sell, although retailers could also choose to offer the discount only during certain times of the year. One retailer reported that they are not offering the discount at all because they would not be able to sustain the financial burden while waiting to receive the credit.

We also found that this timing difference may be more burdensome for smaller retailers than larger retailers. Four smaller retailers expressed concern about the cash flow impact on their bottom line and liquidity, and it appears that this may limit retailers' interest in the credit to some extent. For example, one smaller retailer stated that their profit margin on electric lawn equipment is 20 percent, and absorbing the 30 percent discount may cause year-round negative cash flow. This retailer will receive a 3 percent benefit for administering the credit in exchange for absorbing a 10 percent loss for a considerable period of time—3 months, at a minimum, and well over a year if they offer the discount year-round.

Additionally, although the Department allows participating retailers to adjust their quarterly estimated state income tax payments to potentially mitigate the negative impact from the timing difference, some retailers may be less likely to benefit from relief in this form because they may not file quarterly estimated income taxes. C corporations with a net Colorado income tax liability greater than $5,000 must make quarterly estimated income tax payments to the Department, and the estimated income tax liabilities calculated on the quarterly payment forms allow taxpayers to account for income tax credits that they expect to receive. As a result, profitable retailers (i.e., those with a positive estimated income tax liability) can receive relief from the financial burden of providing the 30 percent discount in the form of adjustments to their quarterly estimated state income taxes, since the credit can reduce the amount of their estimated quarterly payments. In contrast, smaller retailers (which may not be required to make estimated quarterly payments, depending on their net income tax liability) or retailers that do not have a positive estimated quarterly income tax liability are not able to receive the same financial relief because they do not have any quarterly payments to make. Therefore, retailers that are larger and more profitable are likely to see financial relief from the credit much sooner than retailers that are smaller or not doing as well financially. Additionally, larger retailers may be less impacted by the timing difference overall because they likely have more capital on hand, and possibly more immediate cash flow available during the year, despite absorbing the 30 percent discount on electric lawn equipment. Bigger retailers typically have a wider product range, and thus, potential for more profitable income streams from other products. Larger retailers are also more likely to have stores outside of Colorado, and therefore, more likely to have customers outside of Colorado, which also helps offset the cash flow burden because the 30 percent discount is not available for sales outside of Colorado.

- **Second, some retailers expressed confusion about whether the credit has to be applied to all eligible lawn equipment and whether they can choose which types of lawn equipment, makes, and models to apply it to.** Specifically, one retailer reported that they are unclear on whether they are required to provide the 30 percent discount on all qualifying lawn equipment or, alternatively, if they are allowed to choose just a portion of the qualifying equipment that they sell, such as only providing the discount on certain models or brands. Retailers we spoke with expressed concern that if they applied the discount incorrectly, this could potentially lead to issues claiming the credit later on, with no avenue to regain the income lost due to the 30 percent discount in the event that they are not able to claim the credit for those sales. Statute defines eligible electric lawn equipment as an electric "lawn mower, leaf blower, trimmer, or snowblower" but does not specify whether retailers must offer the discount on all eligible sales [Section 39-22-550(2)(a), C.R.S.]. We did identify several other retailers that appear to be applying the credit to some products, but not others. The Department provides some clarifying guidance in the form of taxpayer guidance documents and income tax return instructions, but these documents also do not specify the degree of flexibility that retailers are permitted to exercise in deciding which sales or eligible items should receive the discount.

- **Third, smaller retailers generally reported that the credit imposes a significant administrative burden on their business, which may dissuade them from deciding to provide the discount and claim the credit.** For example, retailers using local point-of-sale systems must manually code each new qualifying electric lawn equipment item into their system in order to properly record sales for reporting purposes. Larger retailers have an advantage in using more automated sales systems with more resources to handle tagging new inventory properly.

- **Finally, the credit's effectiveness at incentivizing consumers to buy electric lawn equipment likely depends on the type of equipment and the needs of the purchaser.** According to retailers who spoke with us about the credit, electric lawn equipment is best suited for residential purchasers maintaining a typical suburban or urban lot. In contrast, rural homeowners with larger lots and commercial landscapers are less likely to find electric lawn equipment that serves their needs because electric equipment is either corded, which limits the equipment's physical range based on the location of power outlets, or battery-operated, which limits the amount of time the equipment can be used before running out of power or needing to swap out the battery. Retailers explained that landscapers have concerns with the cost to build out proper charging infrastructures for their businesses if they were to switch to using electric lawn equipment instead of gas-powered lawn equipment. For example, landscapers would need additional batteries and chargers in order to ensure that their electric lawn equipment could operate for an entire workday without equipment downtime for charging. Since sales of batteries and chargers that are sold separately from lawn equipment are not eligible for the credit, landscapers seeking to switch from gas lawn equipment to electric lawn equipment must incur additional costs for these items—costs that will not be reduced by the credit's discount—in order to effectively make this transition.

  Some retailers who spoke with us also specifically reported having trouble selling electric snowblowers. They generally attributed this to electric snowblowers not being efficient enough for consumers who want a battery that will last for their whole driveway, work quickly, and ultimately allow them to spend the least amount of time possible outside. Retailers reported that more brands and manufacturers are planning to offer electric snowblowers in the next year or two. However, in the meantime, it appears that the discount associated with the Electric Lawn Equipment Credit may not be sufficient incentive to overcome the drawbacks of current electric snowblowers for many consumers.

The Department does not collect data on gas-powered lawn equipment sales in Colorado, so the Department's data will not allow the OSA or the General Assembly to determine whether the Electric Lawn Equipment Credit has reduced the sale of gas-powered lawn equipment as directed by statute. As discussed, statute states that our office will determine whether the credit is meeting its purpose based on whether there is a significant reduction in sales of new gas-powered lawn equipment in Colorado. Although statute prescribes that the Department provide annual reports to our office to allow us to "measure the effectiveness of the tax credit", these reports are only required to contain the sales of new, **electric**-powered lawn equipment, as reported by retailers that have registered for the credit [Section 39-22-550(5), C.R.S.]. Retailers are not required to and do not report information on sales of **gas**-powered lawn equipment to the Department. According to Department staff, "No information is available for gasoline-powered lawn equipment because it is not required to administer this tax credit." Additionally, we have not identified any alternative sources of data on the sale of gas-powered lawn equipment in Colorado that could be used to assess the credit's effectiveness. In general, the data sources we found were either too broad (for example, containing regional data for multiple states) or too narrow (for example, containing data on just a small number of Colorado counties). We also identified a few companies that collect and sell market data on lawn equipment, but we were not able to determine whether this data would be sufficient for purposes of assessing the credit's effectiveness, and obtaining this data might come with additional costs to the State.

When the Department provides our office with data on the use of the credit, we will add an addendum to this report; however, this data will not provide complete information on the use of the credit in Tax Year 2024 and will not be sufficient to determine the extent to which the credit is incentivizing the transition from gas-powered to electric-powered lawn equipment. Colorado income tax returns for C corporations are due on the 15th day of the fifth month after a corporation's income tax year ends, and the Department also grants corporate filers an automatic 6-month extension on the filing deadline, so some retailers may not file their income tax returns until 11 months after their income tax year ends. Therefore, fiscal year retailers may not claim Tax Year 2024 credits until after the Department's data will be provided to our office. For example, Home Depot's annual report to shareholders indicates that they are a fiscal year retailer with a 2024 income tax year starting on January 29, 2024 and ending on February 2, 2025. If Home Depot opts to utilize the extended deadline, their income tax return for Tax Year 2024 may not be filed until January 15, 2026.

Furthermore, the Department's data likely does not include all electric lawn equipment sales in Colorado. Retailers are not required to apply the credit to all electric lawn equipment that they sell, and the Department only requires sellers to report sales for which they are claiming the credit. Additionally, some retailers that sell electric lawn equipment may not claim the credit at all, either because they are not aware of the credit or because they have chosen not to offer a 30 percent discount in order to claim the credit. Lastly, since the Department will not have any data on sales of electric lawn equipment from the time period before the credit became available, we will not have a pre-credit base line that would allow us to determine how electric lawn equipment sales have changed since the credit was enacted. As a result of these factors, the Department's data on electric lawn equipment sales is a better indicator of the extent of retailers' uptake of the credit than the credit's effects on consumer purchasing decisions. Trends in consumer purchases of either gas- or electric-powered lawn equipment would only be identifiable with statewide data on all sales of such equipment.

We identified several other factors that likely impact sales of gas or electric lawn equipment that should be taken into consideration when reviewing future data on the use of the credit. Specifically:

- **Preexisting market trends indicate that consumer purchases of electric lawn equipment were already increasing before the credit became available.** Reports indicate that consumers increasingly favor electric lawn equipment in general, partially due to it being quieter and easier to maintain than gas-powered equipment. Additionally, some manufacturers are phasing out gas-powered equipment and offering more efficient electric models, possibly appealing to consumers with a wider array of equipment options tailored to various consumer needs, such as larger yard size, longer equipment run time, or overall ease of use.

- **Legal restrictions on the use of gas-powered lawn equipment in some areas of the state may cause some commercial landscapers to switch to electric lawn equipment.** Regulation 29, which was put in place by Colorado's Air Quality Control Commission and went into effect in June 2025, prohibits the use of gas-powered push and hand-held lawn equipment by state government agencies and landscaping contractors that service state land during the months of June, July, and August of each year. The ban also applies to local and federal agencies operating in certain areas along the Front Range. Some lawn equipment retailers told us that this ban may be influencing commercial landscapers that contract with government agencies to purchase electric lawn equipment when they may have otherwise continued to use gas-powered equipment.

- **Other funding programs may be influencing some purchasers to buy and use electric lawn equipment.** We identified at least one local funding program that is intended to encourage Coloradans to switch from gas lawn equipment to electric lawn equipment—Mow Down Pollution. Mow Down Pollution, a trade-in voucher program, was launched by the Regional Air Quality Council (RAQC) in 2002 to reduce greenhouse gas emissions and ground-level ozone pollution in the Denver Metro and North Front Range area. Mow Down Pollution's commercial program was previously scheduled to open back up in early 2026, but the RAQC's budget plan, approved in December 2025, indicates that the program will not be offering any commercial grants in 2026 due to lack of funding. When the program was available in the past, small landscaping businesses that use outdoor power equipment in the Front Range could receive a matching grant of up to $6,000 for battery-powered electric lawn equipment. Participating businesses were required to recycle their old gas-powered lawn equipment with the program and contribute a 50 percent match for the total purchase of new battery-powered electric equipment in order to receive the grant. Depending on the retailer, past grant recipients may also have qualified for the additional 30 percent discount associated with the Electric Lawn Equipment Credit. In the past, Mow Down Pollution also offered voucher incentives to public entities that recycled their gas-powered lawn equipment and replaced them with electric alternatives, but this program is also not currently available due to lack of funding. However, RAQC has allocated $20,000 in 2026 "to match local government funding for several residential trade-in events" for electric lawn equipment.

Since we identified multiple factors that may be influencing consumer purchasing decisions with respect to lawn equipment, any trends in statewide sales of both gas- and electric-powered lawn equipment and the use of the credit could be the result of a combination of factors.

Policy Considerations

If the General Assembly extends the Electric Lawn Equipment Credit past January 1, 2027, legislators may want to consider making several changes to the credit. During the 2025 Legislative Session, legislators introduced Senate Bill 25-026 which, as introduced, would have extended the credit through Tax Year 2028. Although the bill passed and became law, the provision that would have extended the credit was removed from the bill before its final passage. If legislators are interested in extending the credit during a future legislative session, they may want to consider making changes to the credit based on the issues we identified in this report.

First, the General Assembly might want to consider modifying the credit to address some issues that might impact its effectiveness or consider alternative policy approaches to reduce the use of gas-powered lawn equipment, such as rebates or trade-in programs. For example, legislators could amend statute to clarify whether retailers are required to offer the discount associated with the credit on all of the electric lawn equipment that they sell, or if they can choose which models and brands on which to offer the discount. As discussed above, some retailers expressed concerns about participating in the program due to a lack of clarity, and we also identified some retailers who reported offering the discount on some models that they sell, but not others.

Legislators could also consider allowing taxpayers to claim quarterly estimated refund payments for the credit in order to allow all retailers to receive the credit's benefits in a more timely manner. As discussed, smaller retailers and/or retailers that are not doing as well financially typically need to wait until they file their income tax returns to claim the credit—for some retailers, up to 21 months after they first start making sales that are eligible for the credit—which could be a significant financial burden when retailers are receiving 30 percent less income on electric lawn equipment sales. In contrast, larger retailers that are more profitable are likely to see financial relief from this income loss much earlier—no more than 4 months after the first eligible sale—via a reduction in their quarterly estimated income tax payments, which allows retailers to account for income tax credits when calculating the amount due. Colorado legislators have addressed this issue for some other income tax credits, such as the Electric Bicycle Credit, by allowing retailers to claim advanced payments of the credit on a quarterly basis via the Department's reporting system. Quarterly reports are already a statutory requirement for retailers to receive the Electric Lawn Equipment Credit.

If the General Assembly does not want to extend the credit and modify it to address the issues we identified, legislators could consider implementing approaches other than an income tax credit to incentivize the transition to electric lawn equipment. Several other states offer rebates to consumers that are capped based on the type of electric lawn equipment purchased and whether it is designed for commercial or residential use. For example, under Mass Save, which is a rebate program for battery-powered lawn equipment in Massachusetts, consumers purchasing commercial lawn equipment may be eligible for a $3,500 rebate for a lawn mower and a $100 rebate for each leaf blower, string trimmer, or chainsaw. Consumers purchasing residential lawn equipment may be eligible for a $75 rebate for a lawn mower and a $30 rebate for each leaf blower, string trimmer, or chainsaw.

Additionally, some states require eligible purchasers to recycle old gas-powered equipment in order to qualify for incentives or offer an increased incentive for consumers who opt to do so. For example, Utah's Charge Your Yard incentive program, which launched in 2023, offers landscaping businesses up to $3,000 to exchange gas-powered handheld lawn equipment, such as trimmers, leaf blowers, and chainsaws, for electric versions. The program will also offer residents up to $200 to exchange gas-powered handheld lawn equipment for electric equipment. Residents are not required to recycle old gas-powered equipment; however, the incentive is limited to $100 if not recycling equipment.

During the 2024 Legislative Session, Colorado legislators proposed Senate Bill 24-095, which would have repealed the Electric Lawn Equipment Credit and replaced it with a rebate program. As introduced, this bill would have allowed consumers a rebate up to $150 for purchases of electric outdoor power equipment.

Second, the General Assembly might want to amend statute to ensure that the performance measure of the credit aligns with the available data. As discussed, statute directs the OSA and the General Assembly to measure the success of the credit based on whether there has been a significant decrease in sales of gas-powered lawn equipment sold within five years after the credit became available (i.e., by the beginning of Calendar Year 2029). However, the Department does not collect data on sales of gas-powered lawn equipment because this information is not required to administer the credit, and we were not able to identify any other data sources for this information that could be used to assess the credit's performance. If the General Assembly wants to continue to use sales of gas-powered lawn equipment to measure the effectiveness of the Electric Lawn Equipment Credit, it will need to direct the Department of Revenue or another state agency, such as the Department of Public Health and Environment, to collect this information from retailers. Legislators should give some consideration to the requirements of this data collection if they choose to pursue this route because the relative completeness of the data collected will have a significant impact on the data's usability for evaluation purposes. For example, if the only retailers required to report their sales of gas-powered lawn equipment are those that have claimed the credit, the data will not reflect actual statewide trends in gas lawn equipment purchases because some retailers that sell gas-powered lawn equipment may not be claiming the credit. Data that is incomplete in this way would not be an accurate indicator of Coloradans' purchasing decisions regarding gas lawn equipment. Additionally, any data collected as a result of changes to the performance measure would likely be provided to the General Assembly at least two years after the relevant sales occurred due to delays related to claiming and reporting on the use of the credit.

Alternatively, the General Assembly could modify the statutory performance measure to instruct our office to use sales of electric lawn equipment to measure the effectiveness of the Electric Lawn Equipment Credit. As discussed above, although the Department does collect data on some sales of electric-powered lawn equipment, which has not yet been released, this data is a better indicator of the extent of retailers' uptake of the credit than the credit's effects on consumer purchasing decisions (i.e., the extent to which the credit is meeting its purpose) because the data likely does not include all electric lawn equipment sales occurring in Colorado. Therefore, the General Assembly might want to consider directing the Department to require retailers who claim the credit to report on sales of all electric lawn equipment, not just the sales that they claim the credit for, in order to have more complete data on electric lawn equipment purchases.

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