



# *Alternative Fuel Vehicles Tax Incentives*

Cabell Hodge  
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# House Bill 14-1326

Bill Sponsors: Representatives Primavera, Scott and Senator Hodge

## Higher Caps on Credits

- Up to \$20,000 for heavy-duty trucks

## Specific Ownership Tax

- Reduces SOT for heavy-duty alternative fuel vehicles to 75% of their value

## Sales Tax Exemption

- For medium and heavy-duty alternative fuel vehicles
- State sales and use tax: 2.9%



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# Tax Credits for NGVs, LPGVs, and FCEVs

| New OEM<br>Natural Gas,<br>Propane, or<br>Hydrogen<br>Vehicle | Income tax year commencing:      |                      |          |          |          | Cap per<br>income<br>tax year |
|---|----------------------------------|----------------------|----------|----------|----------|-------------------------------|
|   | 1/1/2014<br>1/1/2015<br>1/1/2016 | 1/1/2017<br>1/1/2018 | 1/1/2019 | 1/1/2020 | 1/1/2021 |                               |
| Light duty passenger 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                      |

| Conversions:<br>Natural Gas,<br>Propane, or<br>Hydrogen<br>Vehicles | Income tax year commencing:      |                      |          |          |          | Cap per<br>income<br>tax year |
|---|----------------------------------|----------------------|----------|----------|----------|-------------------------------|
|   | 1/1/2014<br>1/1/2015<br>1/1/2016 | 1/1/2017<br>1/1/2018 | 1/1/2019 | 1/1/2020 | 1/1/2021 |                               |
| Light duty passenger 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                      |



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# Tax Credits for NGVs, LPGVs, and FCEVs



VEHICLE BASICS ▾

MODELS

FLEET RESOURCES ▾

MARKET DEVELOPMENTS

ALT FUELS COLORADO

Alternative Fuel Savings

EV Tax Credits

Other AFV Tax Credits

## CNG/LNG/LPG/Hydrogen Tax Credits

Are you buying a new natural gas or propane or hydrogen fueled vehicle?

Buying new OEM ▾

Is your vehicle a light duty passenger vehicle, a light duty truck, a medium duty truck, or a heavy duty truck?

Light Duty Truck ▾

What is the base MSRP of your vehicle including the alt-fuel option cost, after federal tax credits?

35000

Note: Check with an autodealer site for this information

Colorado State Tax Credit (E.g. 18%)

18

Note: 18% for purchase after July 1, 2014 of a new CNG, LNG or propane vehicle.

Amount of **new** alt-fuel tax credit:

\$6,300

Cost of vehicle after tax credit:

\$28,700

This calculator only refers to vehicles bought in Colorado and is for illustrative purposes only. Colorado tax credits vary by year, type of vehicle, and other factors. Please consult a tax professional and the Colorado Department of Revenue for actual figures.

Email Results



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2015 GMC Sierra 1500  
Base Model: \$26,025

[www.refuelcolorado.com](http://www.refuelcolorado.com)



# Tax Credits for EVs

## For Purchase

|   |                 |  |
|---|-----------------|--|
| What is the base model manufacturer's suggested retail price (MSRP) for your electric vehicle?                  | \$35,000        | This is the MSRP for the base model of the vehicle without any optional features or equipment.   |
| What is the Federal tax credit that you will receive for your vehicle?  | \$7,500         | The Federal tax credit is based on the battery capacity of the electric vehicle (EV) purchased. For an EV with a battery capacity of 16 kWh or greater, the maximum value of Federal tax credit is \$7,500 as of December, 2014. However, the Federal tax credit can only be refunded up to your Federal tax liability. Therefore, if you only owe \$5,000 in Federal taxes, even if your vehicle could qualify for a \$7,500 Federal tax credit, you would only receive credit for \$5,000. |
| What other grants or rebates are you applying to the purchase of your vehicle?                                  | \$ -            | This could apply to grants from governmental agencies or rebates from your dealership.   |
| What is the "actual cost" of your vehicle after subtracting the Federal tax credit and other grants or rebates? | \$27,500        | Subtract the Federal tax credit and other grants or rebates from the MSRP to arrive at the "actual cost."  |
| What is the battery capacity of your EV?  | 16              | This will be expressed in kWh. Check the car specifications on the manufacturer website.   |
| Amount of the Colorado state tax credit (capped at \$6,000):  | \$4,400         | Convert the battery capacity to a percentage (e.g. 16 kWh = 16%). Then multiply that percentage by the "actual cost" of the vehicle. Your Colorado state tax credit is the lesser of that result and \$6,000. The Colorado state tax credit is fully refundable. Therefore, if you only owe \$3,000 in Colorado state tax, you can still be refunded up to the \$4,400 value for the Colorado state EV tax credit in this example.   |
| <b>Total tax credits available:</b>   | <b>\$11,900</b> | <b>The Federal tax credit plus the Colorado state tax credit.</b>  |

## Disclaimer

These calculations are for illustrative purposes only. Please consult a tax professional, Federal Internal Revenue Service, and Colorado Department of Revenue for actual figures. The numbers entered are examples to help explain the calculations. They do not reflect actual tax credit values.



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# Tax Credits for EV Leases

## For Lease

|   |   |  |
|---|---|--|
| What is the total of lease payments that you will make on your electric vehicle?                                | \$20,000  | This is the total amount of the payments that you will pay over the duration of your lease.  |
| What ineligible deposits, charges and fees are included in your lease payments?                                 | <ul style="list-style-type: none"> <li>\$ -</li> <li>\$ 70</li> <li>\$ 630</li> <li>\$ 500</li> <li>\$ 300</li> <li>\$ -</li> <li>\$ -</li> </ul> | These ineligible deposits, charges, and fees include: <ul style="list-style-type: none"> <li>• security deposit</li> <li>• rent charge</li> <li>• sales tax</li> <li>• titling and registration fees</li> <li>• disposition fee</li> <li>• any administrative fees</li> <li>• other fees that do not reflect the value of the motor vehicle</li> </ul>                             |
| What is the total of lease payments minus ineligible deposits, charges, and fees?                               | \$9,750   | Subtract all ineligible deposits, charges, and fees from the total of lease payments.  |
| What is the Federal tax credit that you will receive for your vehicle?  | \$ -  | In many cases, the leasing company will collect the Federal tax credit and discount your vehicle lease accordingly. If this is the case, then you are not entitled to an additional Federal tax credit. If the leasing company did not collect the Federal tax credit, see the notes above about calculating the Federal tax credit and accounting for your Federal tax liability. |
| What other grants or rebates are you applying to the purchase of your vehicle?                                  | \$8,500   | This could apply to rebates from your dealership or grants from governmental agencies.   |
| What is the "actual cost" of your vehicle after subtracting the Federal tax credit and other grants or rebates? | \$10,000  | Subtract the Federal tax credit and other grants or rebates from the MSRP to arrive at the "actual cost."  |
| What is the battery capacity of your EV?  | 24  | This will be expressed in kWh. Check the car specifications on the manufacturer website.   |
| Amount of the Colorado state tax credit (capped at \$6,000):  | \$2,400   | Convert the battery capacity to a percentage (e.g. 24 kWh = 24%). Then multiply that percentage by the "actual cost" of the vehicle. Your Colorado state tax credit is the lesser of that result and \$6,000.  |
| <b>Total tax credits available:</b>   | <b>\$2,400</b>  | The Federal tax credit (which is \$0 in this example) plus the Colorado state tax credit.  |

## Additional Info

For more information on tax credits, incentives, grants, fueling station locators and FAQ's for Alternative Fuel Vehicles (AFVs) in Colorado, please go to: [www.refuelcolorado.com](http://www.refuelcolorado.com)



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# Tax Credits for Leases

What is the total of lease payments that you will make on your electric vehicle? **\$20,750**

- \$ - • security deposit
- \$ 70 • rent charge
- \$ 630 • sales tax
- \$ 500 • titling and registration fees
- \$ 300 • disposition fee
- \$ - • any administrative fees
- \$750.00 • other fees that do not reflect the value of the motor vehicle

What other grants or rebates are you applying to the purchase of your vehicle? **\$ 8,500**

**3. CONSUMER LEASING ACT DISCLOSURE BOX**

| AMOUNT DUE AT LEASE SIGNING OR DELIVERY | LEASE PAYMENT  | OTHER CHARGES* (Not part of your lease payment)                          | TOTAL OF PAYMENTS                                       |
|---|--|--|---|
| (From Section 4, itemized below)        | One payment of \$ _____ is due on signing.                 | a) Disposition Fee (if you do not purchase the Vehicle) \$ <b>300.00</b> | (The amount you will have paid by the end of the Lease) |
| \$ _____                                | The total of your lease payment due in advance is \$ _____ | b) _____ + \$ _____  | \$ <b>20,750</b>  |
|   |  | c) _____ + \$ _____  |   |
|   |  | d) Total = \$ _____  |   |

*\*In addition, you may have to pay excess wear and use and mileage, if any.*

**4. ITEMIZATION OF AMOUNT DUE AT LEASE SIGNING OR DELIVERY**

| AMOUNT DUE AT LEASE SIGNING OR DELIVERY   |                    |   |  |
|---|--------------------|---|--|
| a) Capitalized Cost Reduction including any net trade-in allowance                      | \$ _____           | i) _____ + \$ _____   |  |
| b) Lease Payment  | + \$ _____         | j) _____ + \$ _____   |  |
| c) Refundable Security Deposit  | + \$ _____         | k) _____ + \$ _____   |  |
| d) Title Fees   | + \$ <b>500.00</b> | l) _____ + \$ _____   |  |
| e) Registration Fees  | + \$ _____         | m) _____ + \$ _____   |  |
| f) Tax on Capitalized Cost Reduction  | + \$ <b>750.00</b> | n) _____ + \$ _____   |  |
| g) Sales Tax Paid in Advance  | + \$ _____         | o) Total = \$ _____   |  |
| h) Delivery and Handling Charge (if a charge is shown here, section 7.h) must be blank) | + \$ _____         | <b>HOW THE AMOUNT DUE AT LEASE SIGNING OR DELIVERY WILL BE PAID</b> |  |

**THIS CHARGE REPRESENTS COSTS AND ADDITIONAL PROFIT TO THE SELLER/DEALER FOR ITEMS SUCH AS INSPECTING, CLEANING AND ADJUSTING NEW AND USED VEHICLES AND PREPARING DOCUMENTS RELATED TO THE SALE.**

**5. THE LEASE PAYMENT IS DETERMINED AS SHOWN BELOW**

|  |          |   |                |
|--|----------|---|----------------|
| a) Gross Capitalized Cost. The agreed upon value of the Vehicle (\$ _____) and any items you pay over the lease term such as taxes, fees, service contracts, insurance and any outstanding prior credit or lease balance. Please see Section 7 for itemization of this amount. | \$ _____ | f) Rent Charge. The amount charged in addition to the depreciation and any amortized amounts. | + <b>70.00</b> |
| b) Capitalized Cost Reduction. The amount of any net trade-in allowance, rebate, non-cash credit or cash you pay that reduces the gross capitalized cost.  | - _____  | g) Total Base Lease Payment. The depreciation and any amortized amounts plus the rent charge. | = _____        |
| c) Adjusted Capitalized Cost. The amount used in calculating the base lease payment.   | = _____  | h) The Number of Payments in Your Lease   | = <b>36</b>    |
| d) Residual Value. The value of the Vehicle at the end of the Lease used in calculating the base lease payment.  | - _____  | i) Base Lease Payment   | = _____        |
| e) Depreciation and Any Amortized Amounts. The amount charged for the Vehicle's decline in value through normal use and for other items paid for in the Lease.   | = _____  | j) Sales, Use or Lease Tax  | + <b>26.25</b> |
|  |          | k) Luxury Tax   | + _____        |
|  |          | l) Total Lease Payment  | = \$ _____     |



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# Tax Credits for EVs

## Colorado's EV Tax Credits

Is your vehicle a light duty passenger vehicle, a light duty truck, a medium duty truck, or a heavy duty truck?

Light Duty Passenger Vehicle ▼

What is the base-model MSRP of your electric vehicle, after the federal tax credit?

26,670 dollars

Go to an autodealer site for this information, or look at [Income FYI 67](#).

What is the battery capacity of your EV?

16 kWh

Amount of Colorado state tax credit:

\$4,267

EV cost after tax credit:

\$22,403



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# Tax Credits for EV Conversions

| Electric Vehicle Conversions                               | Income tax year commencing:      |                      |          |          |          |                         |
|--|----------------------------------|----------------------|----------|----------|----------|-------------------------|
|  | 1/1/2014<br>1/1/2015<br>1/1/2016 | 1/1/2017<br>1/1/2018 | 1/1/2019 | 1/1/2020 | 1/1/2021 | Cap per income tax year |
| Light duty passenger electric vehicle less than 8,500 GVWR | 75%                              | 75%                  | 56.25%   | 37.5%    | 18.75%   | \$6,000                 |
| Light duty passenger electric vehicle over 8,500 GVWR      | 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 electric truck                                  | 55%                              | 45%                  | 33.75%   | 22.5%    | 11.25%   | \$20,000                |





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