

CHAPTER 386

TRANSPORTATION

SENATE BILL 25-320

BY SENATOR(S) Bridges and Kirkmeyer, Amabile, Hinrichsen;
also REPRESENTATIVE(S) Bird and Taggart, Sirota.

AN ACT

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

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

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

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

(c) This subsection (1) is repealed, effective ~~December 31, 2028~~ JANUARY 1, 2034.

(1.5) IN ACCORDANCE WITH SECTION 39-21-304(1), WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE OR EXTENDS AN EXPIRING TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSES OF THE TAX EXEMPTION PROVIDED IN THIS SECTION ARE, BY PROVIDING AN EXEMPTION FROM TAXATION PURSUANT TO THE PROVISIONS OF PART 1 OR PART 2 OF THIS ARTICLE 26:

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) \$396 for the purchase of information technology services; and

(c) \$224 for use by the division of motor vehicles for personal services related to vehicle services; and

(d) \$3,024 for use by the division of motor vehicles for DRIVES maintenance and support.

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

Approved: June 3, 2025