

**First Regular Session
Seventieth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 15-0718.01 Esther van Mourik x4215

HOUSE BILL 15-1236

HOUSE SPONSORSHIP

Winter,

SENATE SPONSORSHIP

(None),

House Committees

Transportation & Energy
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING INCOME TAX CREDITS FOR IMPROVING ENERGY**
102 **EFFICIENCY IN CERTAIN BUILDINGS.**

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://www.leg.state.co.us/billsummaries>.)

The bill creates income tax credits for a limited number of years for:

- ! An owner of an existing multi-family home if the owner makes energy efficiency improvements to the multi-family home that result in at least a 20% reduction in energy consumption;

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

- ! An owner of a new multi-family home or multi-family home undergoing major renovation, or an owner of a new commercial building or commercial building undergoing major renovation, if the building achieves at least a specified percentage of energy savings relative to energy consumption and either achieves LEED or green globes certification for the construction or renovation; and
- ! An owner, or multiple owners prorated according to ownership shares, of a new affordable housing project or affordable housing project undergoing major renovation, if the building achieves at least a specified percentage of energy savings relative to energy consumption and meets enterprise green community energy efficiency standards for the construction or renovation.

The bill requires the owner to provide certain documentation to the Colorado energy office and requires the Colorado energy office to issue credit certificates to the owner for the tax credit.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-538 as
 3 follows:

4 **39-22-538. Colorado energy efficiency improvement tax credit**
 5 **- legislative declaration - definitions - repeal.** (1) THE GENERAL
 6 ASSEMBLY HEREBY FINDS AND DECLARES THAT:

7 (a) INVESTMENTS IN THE EFFICIENCY WITH WHICH ELECTRICITY IS
 8 CONSUMED REMAIN THE LEAST EXPENSIVE MEANS TO MEET THE DEMAND
 9 FOR THE ENERGY SERVICES, SUCH AS LIGHT, HEAT, AND HOT WATER, THAT
 10 ELECTRICITY ENABLES;

11 (b) INVESTMENTS IN ENERGY EFFICIENCY CAN REDUCE THE COSTS
 12 OF ENERGY BILLS FOR COLORADO ENERGY CONSUMERS;

13 (c) NOTWITHSTANDING EFFORTS BY NATURAL GAS AND ELECTRIC
 14 UTILITIES, THE STATE OF COLORADO, AND OTHERS TO PROMOTE ELECTRIC
 15 ENERGY EFFICIENCY, THERE REMAINS A LARGE UNTAPPED NATURAL GAS
 16 AND ELECTRIC EFFICIENCY RESOURCE, ESPECIALLY AMONG COMMERCIAL

1 AND RESIDENTIAL SECTORS AND WITHIN BUILDINGS;

2 (d) THIS UNTAPPED EFFICIENCY RESOURCE IS PRIMARILY A RESULT
3 OF PERSISTENT MARKET BARRIERS; AND

4 (e) PROVIDING TAX CREDITS TO NATURAL GAS AND ELECTRICITY
5 CONSUMERS IS A POWERFUL MEANS TO ENCOURAGE MORE COST-EFFECTIVE
6 EFFICIENCY IMPROVEMENTS, THEREBY LOWERING THE COST OF NATURAL
7 GAS AND ELECTRIC ENERGY SERVICES IN COLORADO.

8 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
9 REQUIRES:

10 (a) "AFFORDABLE HOUSING PROJECT" MEANS A PROJECT WITH A
11 MINIMUM TERM OF AFFORDABILITY OF NO LESS THAN FIVE YEARS WHICH
12 HAS EITHER:

13 (I) TWENTY PERCENT OR MORE OF THE HOUSING UNITS BOTH
14 RENT-RESTRICTED AND OCCUPIED BY FAMILIES WHOSE INCOME IS FIFTY
15 PERCENT OR LESS OF THE AREA MEDIAN INCOME AS DETERMINED BY THE
16 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
17 WITH ADJUSTMENTS FOR HOUSEHOLD SIZE; OR

18 (II) FORTY PERCENT OR MORE OF THE HOUSING UNITS BOTH
19 RENT-RESTRICTED AND OCCUPIED BY FAMILIES WHOSE INCOME IS SIXTY
20 PERCENT OR LESS OF THE AREA MEDIAN INCOME AS DETERMINED BY THE
21 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
22 WITH ADJUSTMENTS FOR HOUSEHOLD SIZE.

23 (b) "COLORADO ENERGY OFFICE" OR "OFFICE" MEANS THE
24 COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101, C.R.S.

25 (c) "COMMERCIAL BUILDING" MEANS ANY BUILDING INTENDED
26 FOR OCCUPANCY BY ONE OR MORE BUSINESSES AND IS NOT A
27 MULTI-FAMILY HOME OR AN AFFORDABLE HOUSING PROJECT.

1 (d) "CREDIT CERTIFICATE" MEANS A STATEMENT ISSUED BY THE
2 COLORADO ENERGY OFFICE CERTIFYING THAT A GIVEN OWNER QUALIFIES
3 FOR THE CREDIT AUTHORIZED IN THIS SECTION AND SPECIFYING THE
4 AMOUNT OF THE CREDIT.

5 (e) "ENERGY EFFICIENCY IMPROVEMENTS" MEANS MODIFICATIONS
6 MADE IN EACH INCOME TAX YEAR TO A COMMERCIAL BUILDING OR A
7 MULTI-FAMILY HOME OR TO THE EQUIPMENT IN A COMMERCIAL BUILDING
8 OR MULTI-FAMILY HOME WHERE SUCH MODIFICATIONS REDUCE THE
9 ENERGY CONSUMPTION OF THE COMMERCIAL BUILDING OR MULTI-FAMILY
10 HOME.

11 (f) "ENTERPRISE GREEN COMMUNITY" MEANS AN AFFORDABLE
12 HOUSING PROJECT THAT MEETS THE ENERGY EFFICIENCY STANDARDS AS
13 SET FORTH IN THE QUALIFIED ALLOCATION PLAN AS SUCH PLAN IS DEFINED
14 IN SECTION 39-22-2101 (8).

15 (g) "GREEN GLOBES" MEANS A GREEN BUILDING RATING AND
16 CERTIFICATION PROGRAM LICENSED FOR USE BY THE GREEN BUILDING
17 INITIATIVE, A NONPROFIT ORGANIZATION, THAT OVERSEES THE
18 DEVELOPMENT OF VOLUNTARY CONSENSUS STANDARDS FOR PRODUCTS,
19 SERVICES, PROCESSES, SYSTEMS, AND PERSONNEL IN THE UNITED STATES.

20 (h) "HOUSING UNIT" MEANS A RESIDENCE INTENDED FOR
21 OCCUPANCY BY A SINGLE HOUSEHOLD.

22 (i) "INTERNATIONAL ENERGY CONSERVATION CODE" MEANS THE
23 2012 VERSION OF THE MODEL BUILDING ENERGY CODE ISSUED BY THE
24 INTERNATIONAL CODE COUNCIL, OR ITS SUCCESSOR ORGANIZATION.

25 (j) "LEED" MEANS A GREEN BUILDING CERTIFICATION PROGRAM
26 ESTABLISHED AND MAINTAINED BY THE UNITED STATES GREEN BUILDING
27 COUNCIL, OR ITS SUCCESSOR ORGANIZATION.

1 (k) "MULTI-FAMILY HOME" MEANS A BUILDING THAT CONTAINS
2 MULTIPLE HOUSING UNITS WHERE THE HEATING SYSTEMS ARE JOINTLY
3 UTILIZED.

4 (l) "NET INSTALLED COST" MEANS THE COST IN EACH INCOME TAX
5 YEAR AFTER ANY PUBLIC UTILITY REBATES OR FUNDING PROVIDED BY THE
6 STATE OR FEDERAL GOVERNMENT FOR ENERGY EFFICIENCY
7 IMPROVEMENTS.

8 (m) "OWNER" MEANS THE HOLDER OF AN INTEREST IN A
9 COMMERCIAL BUILDING OR MULTI-FAMILY HOME, INCLUDING A VENDEE
10 UNDER A CONTRACT FOR DEED TO REAL PROPERTY, AS THAT TERM IS
11 DEFINED IN SECTION 38-35-126 (1) (b), C.R.S.

12 (n) "PUBLIC UTILITY" MEANS A PUBLIC UTILITY AS DEFINED IN
13 SECTION 40-1-103, C.R.S., SUPPLYING ELECTRICITY OR NATURAL GAS AT
14 RETAIL.

15 (o) "QUALIFIED TAXPAYER" MEANS AN INDIVIDUAL,
16 CORPORATION, OR OTHER ENTITY WHO OWNS AN INTEREST, DIRECT OR
17 INDIRECT, IN THE AFFORDABLE HOUSING PROJECT AND IS SUBJECT TO THE
18 TAXES IMPOSED BY THIS ARTICLE.

19 (p) "RENT-RESTRICTED" MEANS THE GROSS RENT FOR THE
20 HOUSING UNIT DOES NOT EXCEED THIRTY PERCENT OF THE IMPUTED
21 INCOME LIMITATION APPLICABLE TO THE HOUSING UNIT IN THE
22 AFFORDABLE HOUSING PROJECT.

23 (3) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
24 JANUARY 1, 2016, BUT PRIOR TO JANUARY 1, 2021, AN OWNER OF AN
25 EXISTING MULTI-FAMILY HOME IS ALLOWED A CREDIT AGAINST THE
26 INCOME TAXES IMPOSED BY THIS ARTICLE IN AN AMOUNT SET FORTH IN
27 PARAGRAPH (b) OF THIS SUBSECTION (3) FOR ENERGY EFFICIENCY

1 IMPROVEMENTS TO THE MULTI-FAMILY HOME IF THE ENERGY EFFICIENCY
2 IMPROVEMENTS ACHIEVE AT LEAST A TWENTY PERCENT REDUCTION IN
3 ENERGY CONSUMPTION AS DETERMINED BY:

4 (I) PARTICIPATION IN AN ENERGY EFFICIENCY PROGRAM UNDER
5 THE PUBLIC UTILITY DEMAND-SIDE MANAGEMENT PROGRAM APPLICATIONS
6 SET FORTH IN SECTIONS 40-3.2-103 AND 40-3.2-104, C.R.S., WHERE THE
7 PUBLIC UTILITY ISSUES, UPON THE OWNER'S REQUEST, THE OWNER'S
8 PROJECTED ENERGY SAVINGS BASED ON PARTICIPATING IN THE UTILITY'S
9 DEMAND-SIDE MANAGEMENT PROGRAM. THE OWNER WILL HAVE THE SOLE
10 RESPONSIBILITY FOR PROVIDING SUCH PROJECTED ENERGY SAVINGS AND
11 OTHER SUPPORTING DOCUMENTATION SHOWING THAT ENERGY
12 CONSUMPTION OF THE MULTI-FAMILY HOME WILL BE REDUCED BY AT
13 LEAST TWENTY PERCENT TO THE COLORADO ENERGY OFFICE IN ORDER FOR
14 THE OFFICE TO ISSUE A CREDIT CERTIFICATE TO THE OWNER; OR

15 (II) A CREDIT CERTIFICATE ISSUED BY THE COLORADO ENERGY
16 OFFICE THAT INDICATES THE ENERGY CONSUMPTION OF THE
17 MULTI-FAMILY HOME WAS REDUCED BY AT LEAST TWENTY PERCENT FOR
18 A MULTI-FAMILY HOME SERVED BY A PUBLIC UTILITY THAT DOES NOT
19 ALLOW FOR PARTICIPATION IN AN ENERGY EFFICIENCY PROGRAM
20 THROUGH THE PUBLIC UTILITY AS DESCRIBED IN SUBPARAGRAPH (I) OF
21 THIS PARAGRAPH (a).

22 (b) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
23 PARAGRAPH (b), THE AMOUNT OF THE CREDIT IS EQUAL TO THIRTY
24 PERCENT OF THE OWNER'S NET INSTALLED COST, NOT TO EXCEED ONE
25 THOUSAND FIVE HUNDRED DOLLARS PER HOUSING UNIT PER INCOME TAX
26 YEAR AND NOT TO EXCEED SEVENTY-FIVE THOUSAND DOLLARS PER
27 MULTI-FAMILY HOME.

1 (II) FOR AN AFFORDABLE HOUSING PROJECT, THE AMOUNT OF THE
2 CREDIT MAY NOT EXCEED ONE THOUSAND EIGHT HUNDRED SEVENTY-FIVE
3 DOLLARS PER HOUSING UNIT PER INCOME TAX YEAR AND MAY NOT EXCEED
4 NINETY-THREE THOUSAND SEVEN HUNDRED FIFTY DOLLARS PER
5 AFFORDABLE HOUSING PROJECT. IF THERE IS MORE THAN ONE QUALIFIED
6 TAXPAYER WHO OWNS THE AFFORDABLE HOUSING PROJECT, THE AMOUNT
7 OF THE TAX CREDIT MUST BE PRORATED ACCORDING TO OWNERSHIP
8 SHARES.

9 (c) THE COLORADO ENERGY OFFICE SHALL ESTABLISH AND POST
10 GUIDELINES ON ITS WEB SITE NO LATER THAN NOVEMBER 31, 2015,
11 SETTING FORTH HOW AN OWNER OF A MULTI-FAMILY HOME SERVED BY A
12 PUBLIC UTILITY THAT DOES NOT ALLOW FOR PARTICIPATION IN AN ENERGY
13 EFFICIENCY PROGRAM THROUGH THE PUBLIC UTILITY AS DESCRIBED IN
14 SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS SUBSECTION (3) MAY
15 OBTAIN A CREDIT CERTIFICATE. IF POSSIBLE, THE COLORADO ENERGY
16 OFFICE SHALL WORK IN PARTNERSHIP WITH AND RELY UPON DATA AND
17 INFORMATION PROVIDED BY THE PUBLIC UTILITY SERVING THE
18 MULTI-FAMILY HOME.

19 (4) (a) SUBJECT TO THE REQUIREMENTS SPECIFIED IN PARAGRAPH
20 (b) OF THIS SUBSECTION (4), FOR INCOME TAX YEARS COMMENCING ON OR
21 AFTER JANUARY 1, 2016, BUT PRIOR TO JANUARY 1, 2021, AN OWNER OF
22 A NEW MULTI-FAMILY HOME OR MULTI-FAMILY HOME UNDERGOING MAJOR
23 RENOVATION, OR AN OWNER OF A NEW COMMERCIAL BUILDING OR
24 COMMERCIAL BUILDING UNDERGOING MAJOR RENOVATION, IS ALLOWED
25 A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE FOR
26 ENERGY EFFICIENCY IMPROVEMENTS TO THE MULTI-FAMILY HOME OR
27 COMMERCIAL BUILDING AS FOLLOWS:

1 (I) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO FIFTY
2 CENTS PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE MULTI-FAMILY
3 HOME OR COMMERCIAL BUILDING FOR THE FIRST FIFTY THOUSAND SQUARE
4 FEET PLUS TWENTY-FIVE CENTS PER SQUARE FOOT OF INTERIOR FLOOR
5 AREA OVER FIFTY THOUSAND SQUARE FEET, AND SHALL NOT EXCEED A
6 TOTAL OF SEVENTY-FIVE THOUSAND DOLLARS PER MULTI-FAMILY HOME
7 OR COMMERCIAL BUILDING PER INCOME TAX YEAR. THE CREDIT IS ONLY
8 ALLOWED IF THE MULTI-FAMILY HOME OR COMMERCIAL BUILDING
9 ACHIEVES AT LEAST TWENTY PERCENT ENERGY SAVINGS RELATIVE TO
10 ENERGY CONSUMPTION BASED ON THE COMMERCIAL ENERGY EFFICIENCY
11 STANDARD IN THE INTERNATIONAL ENERGY CONSERVATION CODE AND
12 ACHIEVES EITHER:

13 (A) LEED SILVER CERTIFICATION OR BETTER FOR THE
14 CONSTRUCTION OR MAJOR RENOVATION UNDER THE LEED PROGRAM IN
15 EFFECT AT THE TIME OF COMPLETION OF THE CONSTRUCTION OR MAJOR
16 RENOVATION; OR

17 (B) A TWO GREEN GLOBES CERTIFICATION OR BETTER FOR THE
18 CONSTRUCTION OR MAJOR RENOVATION;

19 (II) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO ONE
20 DOLLAR PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE
21 MULTI-FAMILY HOME OR COMMERCIAL BUILDING FOR THE FIRST FIFTY
22 THOUSAND SQUARE FEET PLUS FIFTY CENTS PER SQUARE FOOT OF INTERIOR
23 FLOOR AREA OVER FIFTY THOUSAND SQUARE FEET, AND SHALL NOT
24 EXCEED A TOTAL OF ONE HUNDRED FIFTY THOUSAND DOLLARS PER
25 MULTI-FAMILY HOME OR COMMERCIAL BUILDING PER INCOME TAX YEAR.
26 THE CREDIT IS ONLY ALLOWED IF THE MULTI-FAMILY HOME OR
27 COMMERCIAL BUILDING ACHIEVES AT LEAST THIRTY-FIVE PERCENT

1 ENERGY SAVINGS RELATIVE TO ENERGY CONSUMPTION BASED ON THE
2 COMMERCIAL ENERGY EFFICIENCY STANDARD IN THE INTERNATIONAL
3 ENERGY CONSERVATION CODE AND ACHIEVES EITHER:

4 (A) LEED GOLD CERTIFICATION OR BETTER FOR THE
5 CONSTRUCTION OR MAJOR RENOVATION UNDER THE LEED PROGRAM IN
6 EFFECT AT THE TIME OF COMPLETION OF THE CONSTRUCTION OR MAJOR
7 RENOVATION; OR

8 (B) A THREE GREEN GLOBES CERTIFICATION OR BETTER FOR THE
9 CONSTRUCTION OR MAJOR RENOVATION; OR

10 (III) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO TWO
11 DOLLARS PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE
12 MULTI-FAMILY HOME OR COMMERCIAL BUILDING FOR THE FIRST FIFTY
13 THOUSAND SQUARE FEET PLUS ONE DOLLAR PER SQUARE FOOT OF
14 INTERIOR FLOOR AREA OVER FIFTY THOUSAND SQUARE FEET, AND SHALL
15 NOT EXCEED A TOTAL OF THREE HUNDRED THOUSAND DOLLARS PER
16 MULTI-FAMILY HOME OR COMMERCIAL BUILDING PER INCOME TAX YEAR.
17 THE CREDIT IS ONLY ALLOWED IF THE MULTI-FAMILY HOME OR
18 COMMERCIAL BUILDING ACHIEVES AT LEAST FIFTY PERCENT ENERGY
19 SAVINGS RELATIVE TO ENERGY CONSUMPTION BASED ON THE
20 COMMERCIAL ENERGY EFFICIENCY STANDARD IN THE INTERNATIONAL
21 ENERGY CONSERVATION CODE AND ACHIEVES EITHER:

22 (A) LEED PLATINUM CERTIFICATION FOR THE CONSTRUCTION OR
23 MAJOR RENOVATION UNDER THE LEED PROGRAM IN EFFECT AT THE TIME
24 OF COMPLETION OF THE CONSTRUCTION OR MAJOR RENOVATION; OR

25 (B) A FOUR GREEN GLOBES CERTIFICATION FOR THE
26 CONSTRUCTION OR MAJOR RENOVATION.

27 (b) IN ORDER TO QUALIFY FOR THE CREDITS SPECIFIED IN THIS

1 SUBSECTION (4), THE OWNER OF THE MULTI-FAMILY HOME OR THE
2 COMMERCIAL BUILDING SHALL PRESENT THE ENERGY MODELING OF THE
3 MULTI-FAMILY HOME OR THE COMMERCIAL BUILDING TO THE COLORADO
4 ENERGY OFFICE, ALONG WITH DOCUMENTATION OF THE MULTI-FAMILY
5 HOME OR COMMERCIAL BUILDING'S INTERIOR FLOOR AREA AND, IN THE
6 CASE OF AN EXISTING MULTI-FAMILY HOME OR COMMERCIAL BUILDING,
7 DOCUMENTATION SHOWING THAT THE MULTI-FAMILY HOME OR
8 COMMERCIAL BUILDING COMPLETED A MAJOR RENOVATION. IF THE OFFICE
9 DETERMINES THAT THE OWNER OF THE MULTI-FAMILY HOME OR
10 COMMERCIAL BUILDING MEETS THE REQUIREMENTS SET FORTH IN
11 PARAGRAPH (a) OF THIS SUBSECTION (4), THE OFFICE SHALL ISSUE A
12 CREDIT CERTIFICATE TO THE OWNER THAT SETS FORTH THE AMOUNT OF
13 THE CREDIT.

14 (5) (a) SUBJECT TO THE REQUIREMENTS SPECIFIED IN PARAGRAPHS
15 (b) AND (c) OF THIS SUBSECTION (5), FOR INCOME TAX YEARS
16 COMMENCING ON OR AFTER JANUARY 1, 2016, BUT PRIOR TO JANUARY 1,
17 2021, A QUALIFIED TAXPAYER WHO OWNS A NEW AFFORDABLE HOUSING
18 PROJECT OR AN AFFORDABLE HOUSING PROJECT UNDERGOING MAJOR
19 RENOVATION IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED
20 BY THIS ARTICLE FOR ENERGY EFFICIENCY IMPROVEMENTS TO THE
21 AFFORDABLE HOUSING PROJECT AS FOLLOWS:

22 (I) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO FIFTY
23 CENTS PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE AFFORDABLE
24 HOUSING PROJECT FOR THE FIRST FIFTY THOUSAND SQUARE FEET PLUS
25 TWENTY-FIVE CENTS PER SQUARE FOOT OF INTERIOR FLOOR AREA OVER
26 FIFTY THOUSAND SQUARE FEET, AND SHALL NOT EXCEED A TOTAL OF
27 NINETY-THREE THOUSAND SEVEN HUNDRED FIFTY DOLLARS PER

1 AFFORDABLE HOUSING PROJECT PER INCOME TAX YEAR. THE CREDIT IS
2 ONLY ALLOWED IF THE AFFORDABLE HOUSING PROJECT ACHIEVES AT
3 LEAST TWENTY PERCENT ENERGY SAVINGS RELATIVE TO ENERGY
4 CONSUMPTION BASED ON THE COMMERCIAL ENERGY EFFICIENCY
5 STANDARD IN THE INTERNATIONAL ENERGY CONSERVATION CODE AND
6 ACHIEVES EITHER:

7 (A) THIRTY-FIVE TO FORTY-FIVE POINT EQUIVALENTS AS AN
8 ENTERPRISE GREEN COMMUNITY FOR NEW CONSTRUCTION; OR

9 (B) THIRTY TO FORTY POINT EQUIVALENTS AS AN ENTERPRISE
10 GREEN COMMUNITY FOR MAJOR RENOVATION;

11 (II) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO ONE
12 DOLLAR PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE AFFORDABLE
13 HOUSING PROJECT FOR THE FIRST FIFTY THOUSAND SQUARE FEET PLUS
14 FIFTY CENTS PER SQUARE FOOT OF INTERIOR FLOOR AREA OVER FIFTY
15 THOUSAND SQUARE FEET, AND SHALL NOT EXCEED A TOTAL OF ONE
16 HUNDRED EIGHTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS PER
17 AFFORDABLE HOUSING PROJECT PER INCOME TAX YEAR. THE CREDIT IS
18 ONLY ALLOWED IF THE AFFORDABLE HOUSING PROJECT ACHIEVES AT
19 LEAST THIRTY-FIVE PERCENT ENERGY SAVINGS RELATIVE TO ENERGY
20 CONSUMPTION BASED ON THE COMMERCIAL ENERGY EFFICIENCY
21 STANDARD IN THE INTERNATIONAL ENERGY CONSERVATION CODE AND
22 ACHIEVES EITHER:

23 (A) FORTY-SIX TO SEVENTY-FIVE POINT EQUIVALENTS AS AN
24 ENTERPRISE GREEN COMMUNITY FOR NEW CONSTRUCTION; OR

25 (B) FORTY-ONE TO SEVENTY POINT EQUIVALENTS AS AN
26 ENTERPRISE GREEN COMMUNITY FOR MAJOR RENOVATION; OR

27 (III) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO TWO

1 DOLLARS PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE
2 AFFORDABLE HOUSING PROJECT FOR THE FIRST FIFTY THOUSAND SQUARE
3 FEET PLUS ONE DOLLAR PER SQUARE FOOT OF INTERIOR FLOOR AREA OVER
4 FIFTY THOUSAND SQUARE FEET, AND SHALL NOT EXCEED A TOTAL OF
5 THREE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS PER AFFORDABLE
6 HOUSING PROJECT PER INCOME TAX YEAR. THE CREDIT IS ONLY ALLOWED
7 IF THE AFFORDABLE HOUSING PROJECT ACHIEVES AT LEAST FIFTY PERCENT
8 ENERGY SAVINGS RELATIVE TO ENERGY CONSUMPTION BASED ON THE
9 COMMERCIAL ENERGY EFFICIENCY STANDARD IN THE INTERNATIONAL
10 ENERGY CONSERVATION CODE AND ACHIEVES EITHER:

11 (A) MORE THAN SEVENTY-FIVE POINT EQUIVALENTS AS AN
12 ENTERPRISE GREEN COMMUNITY FOR NEW CONSTRUCTION; OR

13 (B) MORE THAN SEVENTY POINT EQUIVALENTS AS AN ENTERPRISE
14 GREEN COMMUNITY FOR MAJOR RENOVATION.

15 (b) IN ORDER TO QUALIFY FOR THE CREDITS SPECIFIED IN THIS
16 SUBSECTION (5), THE QUALIFIED TAXPAYER WHO OWNS THE AFFORDABLE
17 HOUSING PROJECT SHALL PRESENT THE ENERGY MODELING OF THE
18 AFFORDABLE HOUSING PROJECT TO THE COLORADO ENERGY OFFICE,
19 ALONG WITH DOCUMENTATION OF THE AFFORDABLE HOUSING PROJECT'S
20 INTERIOR FLOOR AREA AND, IN THE CASE OF AN EXISTING AFFORDABLE
21 HOUSING PROJECT, DOCUMENTATION SHOWING THAT THE AFFORDABLE
22 HOUSING PROJECT COMPLETED A MAJOR RENOVATION. THE QUALIFIED
23 TAXPAYER SHALL ALSO PROVIDE TO THE OFFICE A COPY OF A REGULATORY
24 AGREEMENT, RESTRICTIVE COVENANT, OR OTHER SUCH DOCUMENTATION
25 REQUIRED BY THE OFFICE TO ESTABLISH THAT THE AFFORDABLE HOUSING
26 PROJECT MEETS THE DEFINITION SET FORTH IN PARAGRAPH (a) OF
27 SUBSECTION (2) OF THIS SECTION. IF THE OFFICE DETERMINES THAT THE

1 REQUIREMENTS SET FORTH IN PARAGRAPH (a) OF THIS SUBSECTION (5)
2 WERE MET, THE OFFICE SHALL ISSUE A CREDIT CERTIFICATE TO THE
3 QUALIFIED TAXPAYER THAT SETS FORTH THE AMOUNT OF THE CREDIT.

4 (c) IF THERE IS MORE THAN ONE QUALIFIED TAXPAYER WHO OWNS
5 THE AFFORDABLE HOUSING PROJECT, THE AMOUNT OF THE CREDIT MUST
6 BE PRORATED ACCORDING TO OWNERSHIP SHARES.

7 (6) TO CLAIM A TAX CREDIT ALLOWED IN THIS SECTION, THE
8 TAXPAYER SHALL ATTACH A COPY OF THE CREDIT CERTIFICATE ISSUED BY
9 THE COLORADO ENERGY OFFICE TO HIS OR HER TAX RETURN. NO TAX
10 CREDIT IS ALLOWED UNDER THIS SECTION UNLESS THE TAXPAYER
11 PROVIDES THE COPY OF THE CREDIT CERTIFICATE.

12 (7) IF THE AMOUNT OF A CREDIT ALLOWED IN THIS SECTION
13 EXCEEDS THE AMOUNT OF INCOME TAXES OTHERWISE DUE ON THE
14 TAXPAYER'S INCOME IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS
15 BEING CLAIMED, THE AMOUNT OF THE CREDIT NOT USED AS AN OFFSET
16 AGAINST INCOME TAXES IN THE CURRENT INCOME TAX YEAR MAY BE
17 CARRIED FORWARD AND USED AS A CREDIT AGAINST SUBSEQUENT YEARS'
18 INCOME TAX LIABILITY FOR A PERIOD NOT TO EXCEED FIVE YEARS AND
19 MUST BE APPLIED FIRST TO THE EARLIEST INCOME TAX YEARS POSSIBLE.
20 ANY CREDIT REMAINING AFTER THE FIVE YEAR PERIOD MAY NOT BE
21 REFUNDED OR CREDITED TO THE TAXPAYER.

22 (8) IN REVIEWING THE PLANNED AND ACTUAL ENERGY SAVINGS
23 ACHIEVEMENT OF A PUBLIC UTILITY UNDER THE PUBLIC UTILITY
24 DEMAND-SIDE MANAGEMENT PROGRAM APPLICATIONS SET FORTH IN
25 SECTIONS 40-3.2-103 AND 40-3.2-104, C.R.S., THE PUBLIC UTILITIES
26 COMMISSION SHALL NOT PENALIZE THE ENERGY SAVINGS ACHIEVEMENT
27 OF A PUBLIC UTILITY BECAUSE PARTICIPANTS IN SUCH PROGRAMS ALSO

1 QUALIFY FOR INCOME TAX CREDITS UNDER THIS SECTION.

2 (9) NO LATER THAN DECEMBER 31, 2017, AND DECEMBER 31,
3 2020, THE COLORADO ENERGY OFFICE SHALL SUBMIT A REPORT TO THE
4 FINANCE COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES
5 THAT DETAILS:

6 (a) THE QUALITY OF THE IMPLEMENTATION OF THIS SECTION;

7 (b) THE AMOUNT OF ENERGY EFFICIENCY IMPROVEMENT
8 ESTIMATED TO BE ATTRIBUTABLE TO THIS SECTION;

9 (c) THE VALUE OF THE TAX CREDITS ALLOWED UNDER THIS
10 SECTION; AND

11 (d) ANY PROBLEMS OR ISSUES ARISING IN THE IMPLEMENTATION
12 OF THIS SECTION.

13 (10) NO LATER THAN NOVEMBER 1, 2016, AND NO LATER THAN
14 NOVEMBER 1 OF EACH YEAR THEREAFTER THROUGH NOVEMBER 1, 2020,
15 THE COLORADO ENERGY OFFICE SHALL PROVIDE THE DEPARTMENT OF
16 REVENUE WITH AN ELECTRONIC REPORT OF THE TAXPAYERS RECEIVING A
17 CREDIT CERTIFICATE AS ALLOWED IN THIS SECTION FOR THE PRECEDING
18 CALENDAR YEAR THAT INCLUDES THE FOLLOWING INFORMATION:

19 (a) THE TAXPAYER'S NAME;

20 (b) THE TAXPAYER'S SOCIAL SECURITY NUMBER; AND

21 (c) THE AMOUNT OF THE CREDIT ALLOWED IN THIS SECTION.

22 (11) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2026.

23 **SECTION 2. Act subject to petition - effective date.** This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly
26 (August 5, 2015, if adjournment sine die is on May 6, 2015); except that,
27 if a referendum petition is filed pursuant to section 1 (3) of article V of

1 the state constitution against this act or an item, section, or part of this act
2 within such period, then the act, item, section, or part will not take effect
3 unless approved by the people at the general election to be held in
4 November 2016 and, in such case, will take effect on the date of the
5 official declaration of the vote thereon by the governor.