

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

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 ELECTRIC
 16 EFFICIENCY RESOURCE, ESPECIALLY AMONG COMMERCIAL AND

1 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 ELECTRIC
7 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 MORE THAN FOUR HOUSING UNITS.

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

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

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

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

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

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

1 IMPROVEMENTS ACHIEVE AT LEAST A TWENTY PERCENT REDUCTION IN
2 ENERGY CONSUMPTION AS DETERMINED BY:

3 (I) PARTICIPATION IN AN ENERGY EFFICIENCY PROGRAM UNDER
4 THE PUBLIC UTILITY DEMAND-SIDE MANAGEMENT PROGRAM APPLICATIONS
5 SET FORTH IN SECTIONS 40-3.2-103 AND 40-3.2-104, C.R.S., WHERE THE
6 PUBLIC UTILITY ISSUES, UPON THE OWNER'S REQUEST, A STATEMENT OF
7 CALCULATED ENERGY SAVINGS RESULTING FROM ELIGIBLE ENERGY
8 EFFICIENCY IMPROVEMENTS INSTALLED THROUGH THE PUBLIC UTILITY
9 ENERGY EFFICIENCY PROGRAMS. THE STATEMENT WILL BE ISSUED TO THE
10 OWNER WHO WILL HAVE THE SOLE RESPONSIBILITY FOR PROVIDING IT AND
11 OTHER SUPPORTING DOCUMENTATION SHOWING THAT ENERGY
12 CONSUMPTION OF THE MULTI-FAMILY HOME WAS REDUCED BY AT LEAST
13 TWENTY PERCENT TO THE COLORADO ENERGY OFFICE IN ORDER FOR THE
14 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 FOR THE CONSTRUCTION OR
14 MAJOR RENOVATION UNDER THE LEED PROGRAM IN EFFECT AT THE TIME
15 OF COMPLETION OF THE CONSTRUCTION OR MAJOR RENOVATION; OR

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

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

1 COMMERCIAL ENERGY EFFICIENCY STANDARD IN THE INTERNATIONAL
2 ENERGY CONSERVATION CODE AND ACHIEVES EITHER:

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

6 (B) A THREE GREEN GLOBES CERTIFICATION FOR THE
7 CONSTRUCTION OR MAJOR RENOVATION; OR

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

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

23 (B) A FOUR GREEN GLOBES CERTIFICATION FOR THE
24 CONSTRUCTION OR MAJOR RENOVATION.

25 (b) IN ORDER TO QUALIFY FOR THE CREDITS SPECIFIED IN THIS
26 SUBSECTION (4), THE OWNER OF THE MULTI-FAMILY HOME OR THE
27 COMMERCIAL BUILDING SHALL PRESENT THE ENERGY MODELING OF THE

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

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

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

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

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

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

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

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

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

25 (III) THE AMOUNT OF THE CREDIT ALLOWED IS EQUAL TO TWO
26 DOLLARS PER SQUARE FOOT OF INTERIOR FLOOR AREA OF THE
27 AFFORDABLE HOUSING PROJECT FOR THE FIRST FIFTY THOUSAND SQUARE

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

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

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

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

1 OF THE CREDIT.

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

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

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

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

27 (9) NO LATER THAN DECEMBER 31, 2017, AND DECEMBER 31,

1 2020, THE COLORADO ENERGY OFFICE SHALL SUBMIT A REPORT TO THE
2 FINANCE COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES
3 THAT DETAILS:

- 4 (a) THE QUALITY OF THE IMPLEMENTATION OF THIS SECTION;
- 5 (b) THE AMOUNT OF ENERGY EFFICIENCY IMPROVEMENT
6 ESTIMATED TO BE ATTRIBUTABLE TO THIS SECTION;
- 7 (c) THE VALUE OF THE TAX CREDITS ALLOWED UNDER THIS
8 SECTION; AND
- 9 (d) ANY PROBLEMS OR ISSUES ARISING IN THE IMPLEMENTATION
10 OF THIS SECTION.

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

- 17 (a) THE TAXPAYER'S NAME;
- 18 (b) THE TAXPAYER'S SOCIAL SECURITY NUMBER; AND
- 19 (c) THE AMOUNT OF THE CREDIT ALLOWED IN THIS SECTION.

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

21 **SECTION 2. Act subject to petition - effective date.** This act
22 takes effect at 12:01 a.m. on the day following the expiration of the
23 ninety-day period after final adjournment of the general assembly
24 (August 5, 2015, if adjournment sine die is on May 6, 2015); except that,
25 if a referendum petition is filed pursuant to section 1 (3) of article V of
26 the state constitution against this act or an item, section, or part of this act
27 within such period, then the act, item, section, or part will not take effect

1 unless approved by the people at the general election to be held in
2 November 2016 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor.