



PRESENTATION ON: COLORADO'S REVENUE & TAX STRUCTURE

COLORADO LEGISLATIVE COUNCIL STAFF
ECONOMICS SECTION

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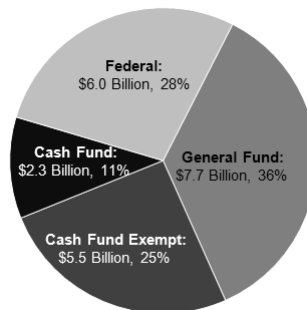
by
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Colorado's Revenue Structure

How Colorado Compares in State and Local Taxes

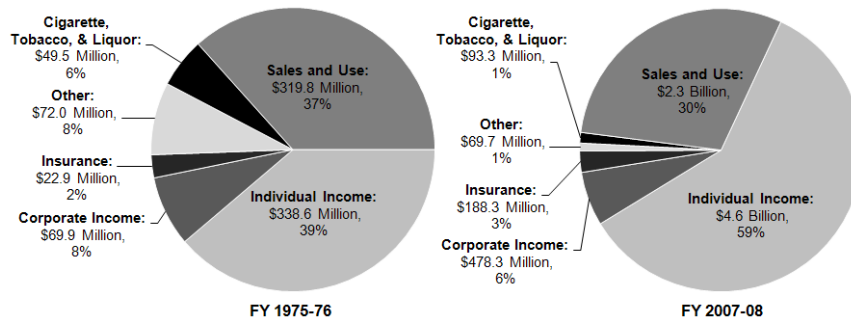
Colorado's Tax Policy Changes & the Business Cycle

Revenue Sources By Fund Type FY 2007-08



Source: Legislative Council Staff, August 1, 2010.

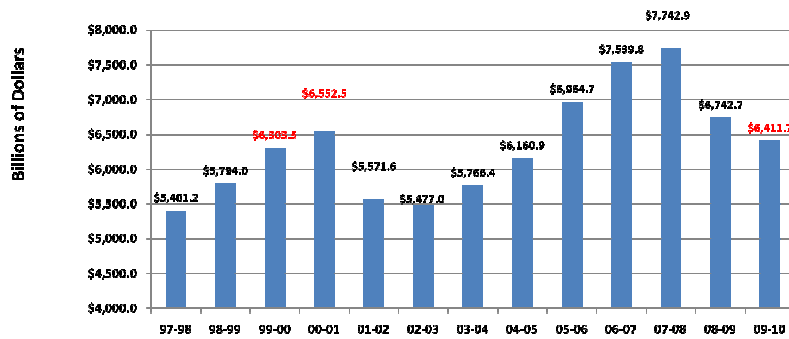
Comparison of General Fund Revenue, FY 1975-76 and FY 2007-08



Source: Legislative Council Staff, August 1, 2010.

Ten-Year Revenue Comparison

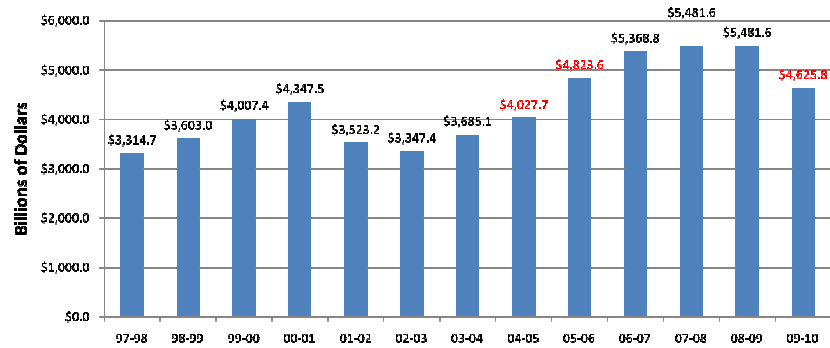
General Fund Gross Revenue



Source: Legislative Council Staff, August 1, 2010.

Revenue Changes

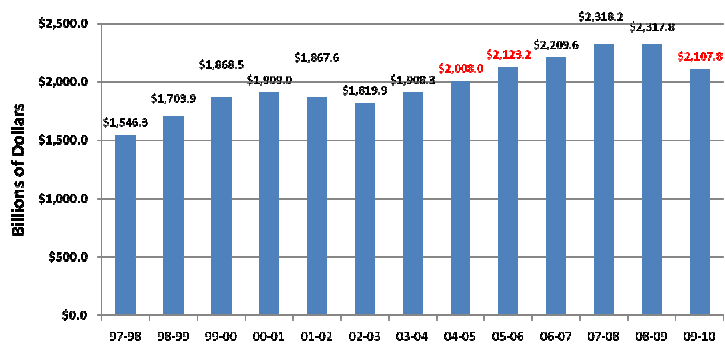
Individual and Corporate Income Tax Collections



Source: Legislative Council Staff, August 1, 2010.

Revenue Changes

Sales and Use Tax Collections



Source: Legislative Council Staff, August 1, 2010.

How Colorado Compares In State & Local Taxes

- Colorado has had a long tradition of having a **strong, decentralized** local government tax system;
- State taxes rank among the **lowest** in the country (second lowest), while local government taxes rank among the **highest** (eighth highest);
- Colorado’s combined state and local taxes were the **seventh lowest in the nation**;

Source: Legislative Council Staff, August 1, 2010.

How Selected State Taxes In Colorado Compare (per \$1,000 income, FY 2008-09)

State Taxes	Colorado		National	
	Rank	Tax	High	Low
Total Taxes	49	\$40.89	\$163.89	\$37.03
Sales/Use	44	\$10.89	\$48.35	\$0.00
Individual Income	28	\$20.74	\$39.51	\$0.00
Corporate Income	42	\$1.55	\$20.91	\$0.00
Motor Fuel	32	\$2.90	\$6.70	\$0.33
Liquor	43	\$0.17	\$1.31	\$0.06
Tobacco	35	\$1.02	\$3.55	\$0.21
Severance	12	\$1.34	\$126.71	\$0.00

Source: Legislative Council Staff, August 1, 2010.

How Selected Local Government Taxes In Colorado Compare
(per \$1,000 income, FY 2007-08)

Local Government Taxes	Colorado		National	
	Rank	Tax	High	Low
Total Taxes	8	\$48.71	\$78.82	\$16.72
Sales	2	\$14.43	\$23.59	\$0.00
Property	27	\$29.82	\$52.20	\$8.71

Source: Legislative Council Staff, August 1, 2010.

How Combined State and Local Government Taxes In Colorado Compare
(per \$1,000 income, FY 2007-08)

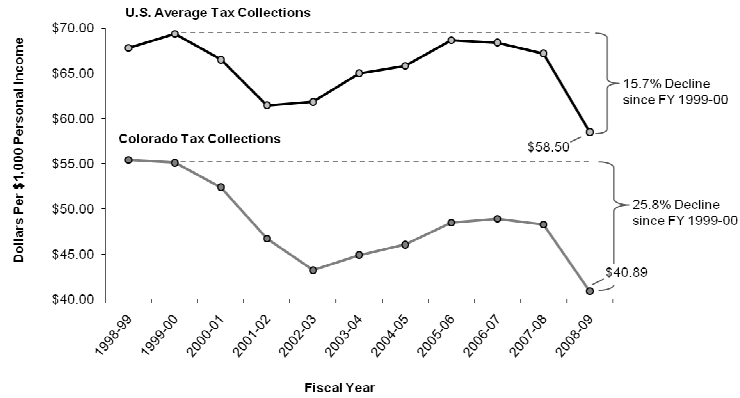
State	Rank	Tax
Alaska	1	\$347.31
U.S. Average	n/a	\$111.99
Colorado	44	\$95.53
South Dakota	50	\$86.10

How Combined Property Taxes In Colorado Compare

State	Rank	Tax
per \$1,000 income, FY 2007-08		
Colorado	32	\$29.82
U.S. Average	n/a	\$34.49
per capita taxes, FY 2007-08		
Colorado	21	\$1,266.00
U.S. Average	n/a	\$1,358.46

Source: Legislative Council Staff, August 1, 2010.

History of State and U.S. Tax Collections Per \$1,000 of Income



Source: Legislative Council Staff, August 1, 2010.

Ten-Year Change In State Tax Collections (tax burden) Per \$1,000 of Personal Income (FY 1998-99 to FY 2008-09)

Tax	FY 1998-99	FY 2008-09	Change
U.S. Individual Income	\$23.40	\$20.12	(14.0%)
Individual Income	\$23.69	\$20.74	(12.5%)
Sales/Use	\$14.73	\$10.89	(24.2%)
Corporate Income	\$2.54	\$1.55	(39.0%)
Gas	\$4.35	\$2.90	(33.3%)
Liquor	\$0.22	\$0.17	(22.7%)
Tobacco	\$0.57	\$1.02	78.9%

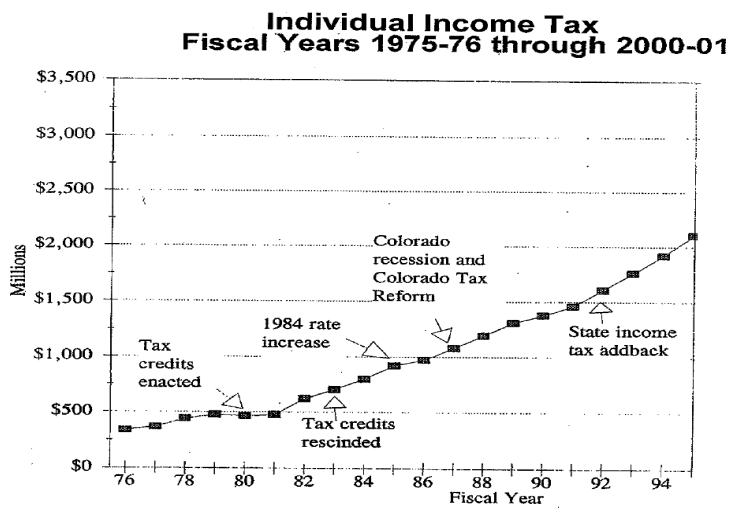
Source: Legislative Council Staff, August 1, 2010.

Historic Tax Policy Changes Responding to the Business Cycle through

- State Individual Income Tax
- State Corporate Income Tax
- State Sales and Use Taxes

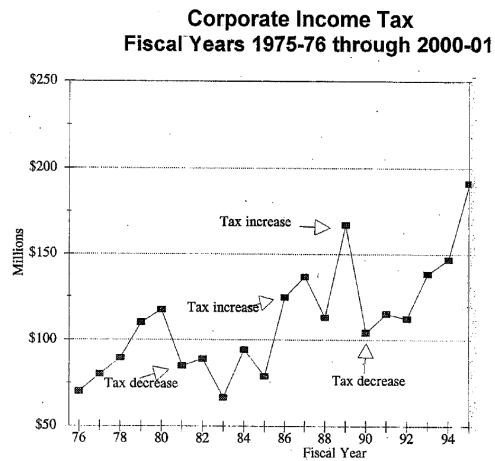
Source: Legislative Council Staff, August 1, 2010.

State Individual Income Tax Changes



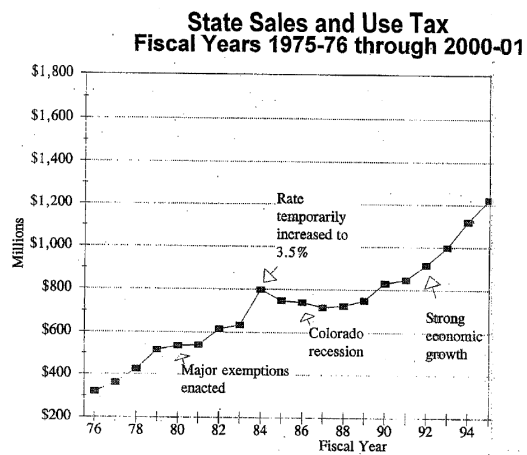
Source: Legislative Council Staff, August 1, 2010.

State Corporate Income Tax Changes



Source: Legislative Council Staff, August 1, 2010.

State Sales Tax Changes



Source: Legislative Council Staff, August 1, 2010.

Who said?

“Alexander Hamilton started the U.S. Treasury with nothing and that was the closest our country has ever been to being even.”

Source: Legislative Council Staff, August 1, 2010.