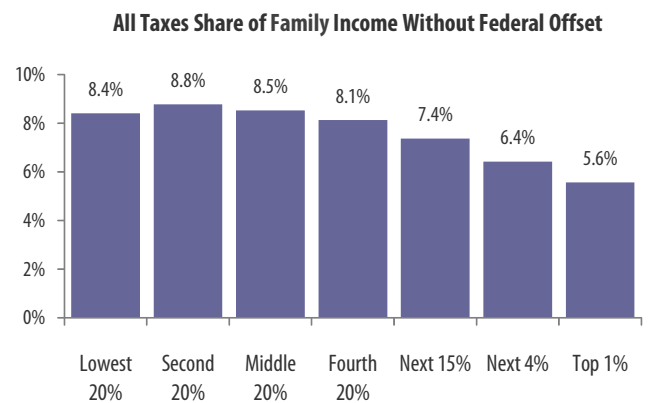
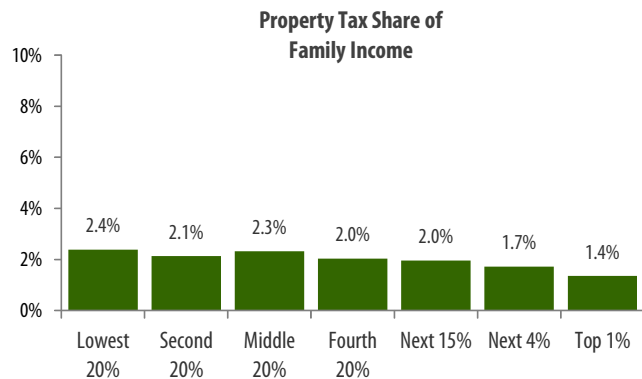
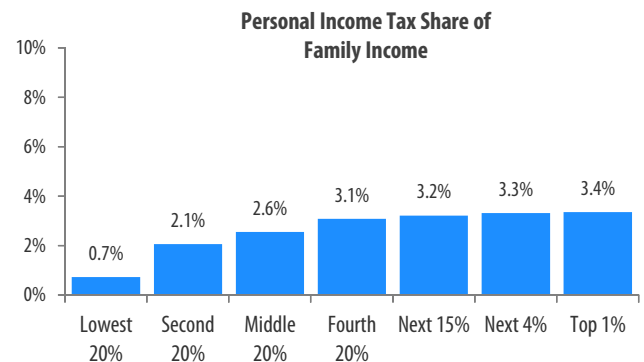
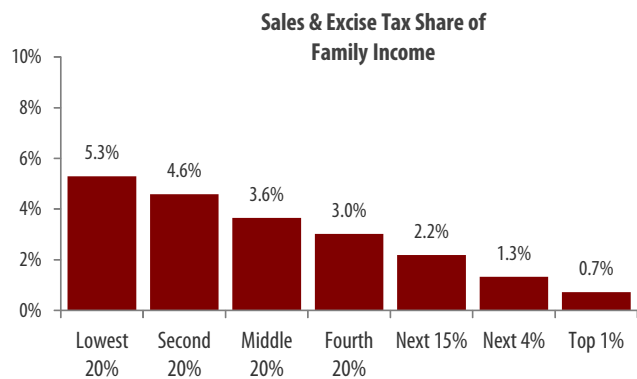
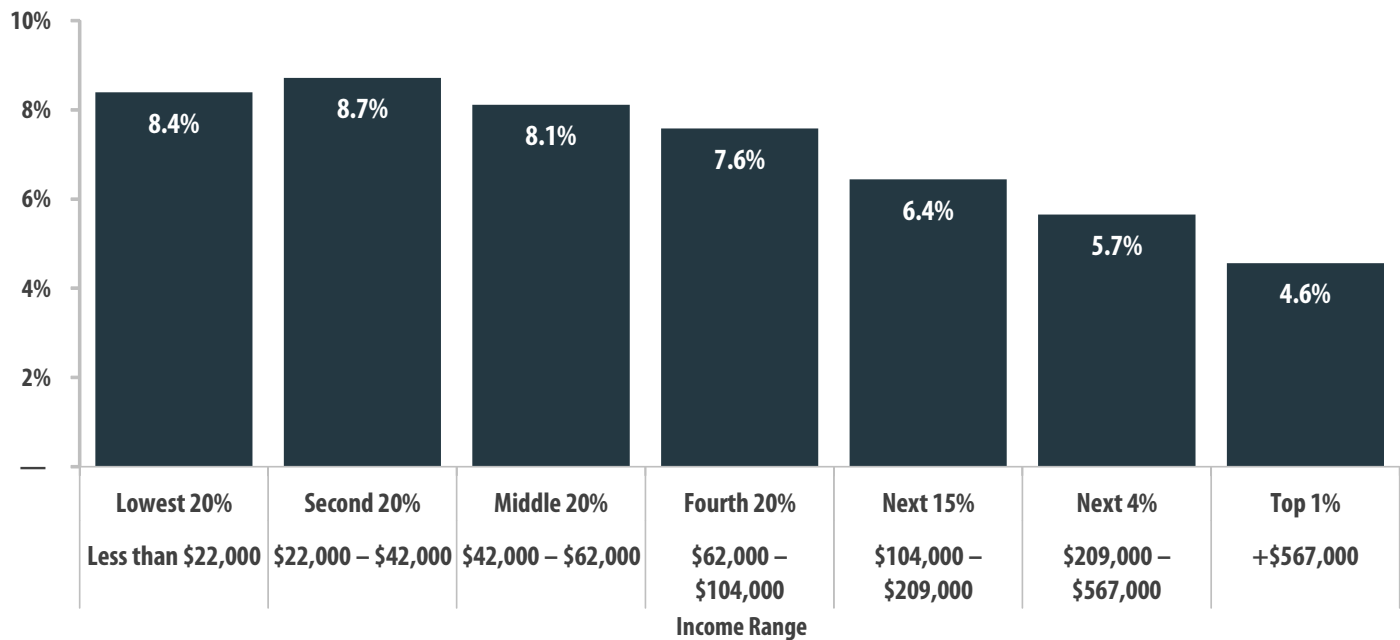


# Colorado State & Local Taxes in 2015

## Shares of family income for non-elderly taxpayers



Note: Figures show permanent law in Colorado enacted through December 31, 2014 at 2012 income levels. Top figure represents total state and local taxes as a share of income, post-federal offset. Figures in Appendix D on page 27 show Colorado law under the assumption that current “triggers” in the law are eventually reached, thus creating a Child Tax Credit (CTC) and 10 percent refundable Earned Income Tax Credit (EITC).

# Colorado State & Local Taxes in 2015

## Details, Tax Code Features, & Tax Code Changes Enacted in 2013 & 2014

Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$22,000	\$22,000 – \$42,000	\$42,000 – \$62,000	\$62,000 – \$104,000	\$104,000 – \$209,000	\$209,000 – \$567,000	\$567,000 or more
Average Income in Group	\$12,300	\$30,600	\$51,300	\$79,800	\$140,300	\$317,800	\$1,779,900
<b>Sales &amp; Excise Taxes</b>	<b>5.3%</b>	<b>4.6%</b>	<b>3.6%</b>	<b>3.0%</b>	<b>2.2%</b>	<b>1.3%</b>	<b>0.7%</b>
General Sales—Individuals	2.6%	2.4%	2.0%	1.7%	1.3%	0.8%	0.5%
Other Sales & Excise—Ind.	0.7%	0.5%	0.4%	0.3%	0.2%	0.1%	0.0%
Sales & Excise on Business	2.0%	1.6%	1.3%	1.0%	0.7%	0.4%	0.2%
<b>Property Taxes</b>	<b>2.4%</b>	<b>2.1%</b>	<b>2.3%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>1.7%</b>	<b>1.4%</b>
Property Taxes on Families	2.3%	2.0%	2.2%	1.9%	1.8%	1.2%	0.4%
Other Property Taxes	0.1%	0.1%	0.1%	0.1%	0.2%	0.5%	0.9%
<b>Income Taxes</b>	<b>0.7%</b>	<b>2.1%</b>	<b>2.6%</b>	<b>3.1%</b>	<b>3.2%</b>	<b>3.4%</b>	<b>3.5%</b>
Personal Income Tax	0.7%	2.1%	2.6%	3.1%	3.2%	3.3%	3.4%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
<b>Total Taxes</b>	<b>8.4%</b>	<b>8.8%</b>	<b>8.5%</b>	<b>8.1%</b>	<b>7.4%</b>	<b>6.4%</b>	<b>5.6%</b>
<b>Federal Deduction Offset</b>	<b>−0.0%</b>	<b>−0.1%</b>	<b>−0.4%</b>	<b>−0.6%</b>	<b>−0.9%</b>	<b>−0.8%</b>	<b>−1.0%</b>
<b>OVERALL TOTAL</b>	<b>8.4%</b>	<b>8.7%</b>	<b>8.1%</b>	<b>7.6%</b>	<b>6.4%</b>	<b>5.7%</b>	<b>4.6%</b>

Note: Table shows detailed breakout of data on previous page.

## Colorado Tax Code Features

### Progressive Features

- Comparatively large standard deduction and personal exemption
- Standard deduction and personal exemption indexed to inflation
- State sales tax base excludes groceries
- Requires the use of combined reporting for the corporate income tax

### Regressive Features

- Personal income tax uses a flat rate
- Local sales tax bases include groceries
- Fails to provide a refundable Earned Income Tax Credit (EITC): one may eventually take effect if revenue triggers are reached
- Fails to provide a property tax “circuit breaker” credit for low-income non-elderly taxpayers

## Tax Changes Enacted in 2013 & 2014

- Dependent care tax credit made refundable for families earning less than \$25,000
- Enacted legislation that would create a permanent Earned Income Tax Credit (EITC) dependent on revenue growth
- Enacted legislation that could create a permanent Child Tax Credit (CTC) if the federal government allows states to enforce sales tax collection laws on e-retailers

## ITEP Tax Inequality Index

According to ITEP’s Tax Inequality Index, Colorado has the **32nd** most unfair state and local tax system in the country. States with regressive tax structures have negative tax inequality indexes, meaning that incomes are less equal in those states after state and local taxes than before (See Appendix B for state-by-state rankings and more details).