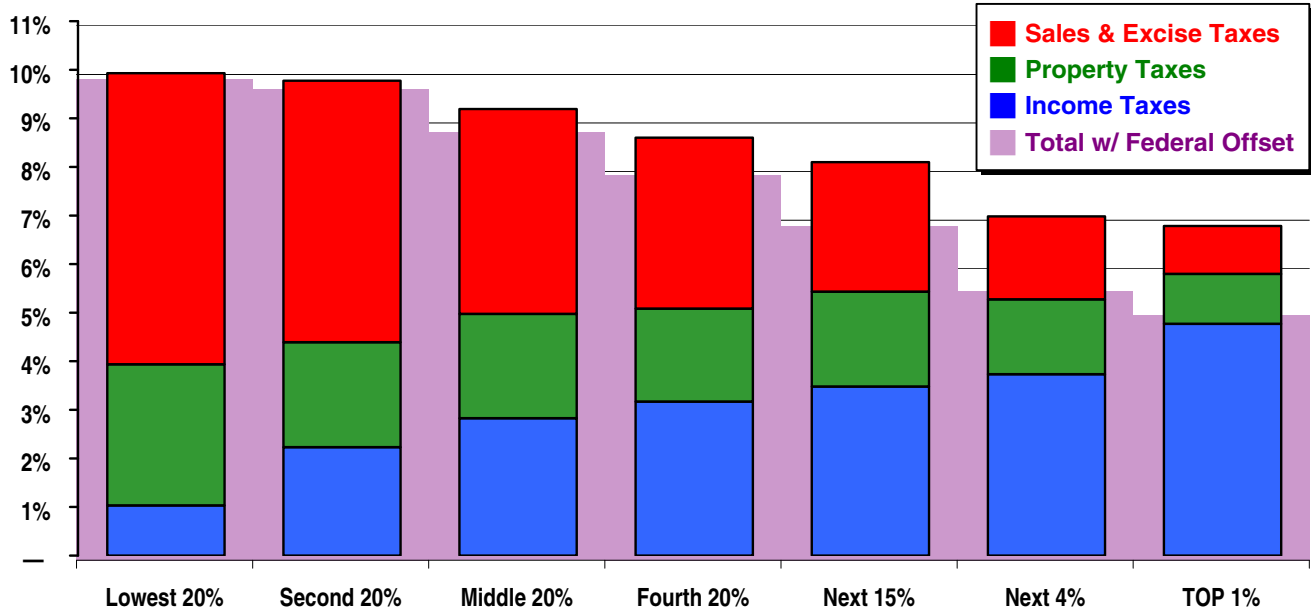


# Colorado

## State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
<b>Income Range</b>	Less than \$17,000	\$17,000 – \$30,000	\$30,000 – \$47,000	\$47,000 – \$78,000	\$78,000 – \$154,000	\$154,000 – \$692,000	\$692,000 or more
<b>Average Income in Group</b>	\$9,800	\$22,700	\$37,400	\$61,300	\$105,600	\$226,900	\$1,185,300
<b>Sales &amp; Excise Taxes</b>	<b>6.0%</b>	<b>5.4%</b>	<b>4.2%</b>	<b>3.5%</b>	<b>2.7%</b>	<b>1.7%</b>	<b>1.0%</b>
General Sales—Individuals	3.2%	3.1%	2.5%	2.1%	1.7%	1.1%	0.6%
Other Sales & Excise—Ind.	0.6%	0.4%	0.4%	0.3%	0.2%	0.1%	0.0%
Sales & Excise on Business	2.2%	1.8%	1.4%	1.1%	0.8%	0.5%	0.3%
<b>Property Taxes</b>	<b>2.9%</b>	<b>2.2%</b>	<b>2.1%</b>	<b>1.9%</b>	<b>2.0%</b>	<b>1.5%</b>	<b>1.0%</b>
Property Taxes on Families	2.8%	2.1%	2.1%	1.8%	1.8%	1.3%	0.5%
Other Property Taxes	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.6%
<b>Income Taxes</b>	<b>1.0%</b>	<b>2.2%</b>	<b>2.8%</b>	<b>3.2%</b>	<b>3.5%</b>	<b>3.7%</b>	<b>4.8%</b>
Personal Income Tax	1.0%	2.1%	2.7%	3.1%	3.3%	3.5%	4.0%
Corporate Income Tax	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.8%
<b>TOTAL TAXES</b>	<b>9.9%</b>	<b>9.8%</b>	<b>9.2%</b>	<b>8.6%</b>	<b>8.1%</b>	<b>7.0%</b>	<b>6.8%</b>
<b>Federal Deduction Offset</b>	-0.0%	-0.1%	-0.4%	-0.7%	-1.2%	-1.4%	-1.7%
<b>TOTAL AFTER OFFSET</b>	<b>9.9%</b>	<b>9.7%</b>	<b>8.8%</b>	<b>7.9%</b>	<b>6.9%</b>	<b>5.5%</b>	<b>5.0%</b>

Note: Table shows 2002 tax law at 2000 income levels.

# Colorado Details

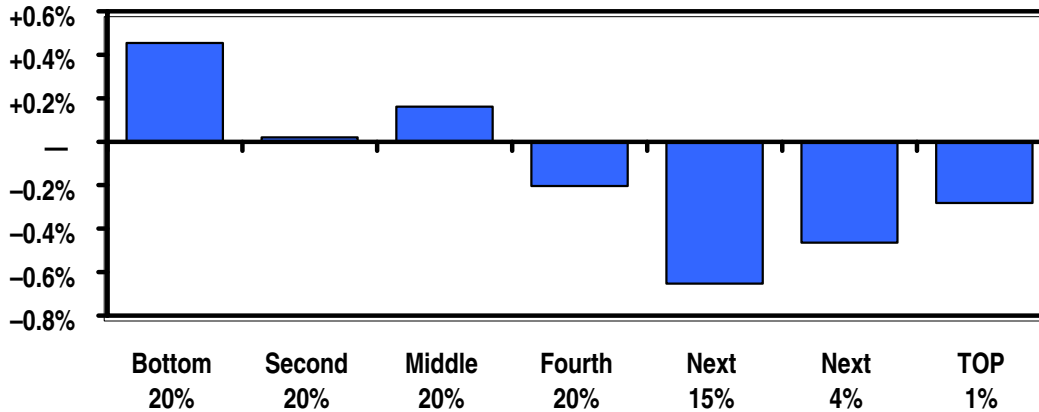
## Progressive Features

- ✓ Food and drugs exempt
- ✓ Indexed exemptions
- ✓ Low sales tax

## Regressive Features

- ✗ Flat income tax
- ✗ TABOR rules limit progressive measures

Changes in Tax as Share of Income, 1989 - 2002

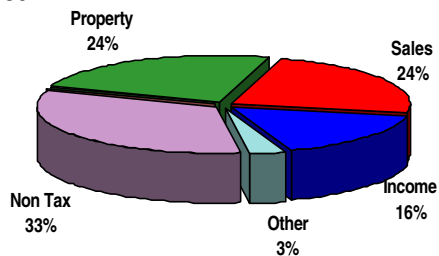


	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
<b>Sales &amp; Excise</b>	-0.0%	+0.1%	+0.1%	+0.1%	+0.0%	+0.0%	-0.0%
<b>Property</b>	+0.2%	-0.2%	-0.0%	-0.4%	-0.9%	-0.9%	-0.7%
<b>Income</b>	+0.3%	+0.1%	+0.2%	+0.2%	+0.3%	+0.5%	+0.9%
<b>Federal Offset</b>	-0.0%	-0.0%	-0.1%	-0.1%	-0.1%	-0.0%	-0.4%
<b>Overall Change</b>	+0.5%	+0.0%	+0.2%	-0.2%	-0.7%	-0.5%	-0.3%

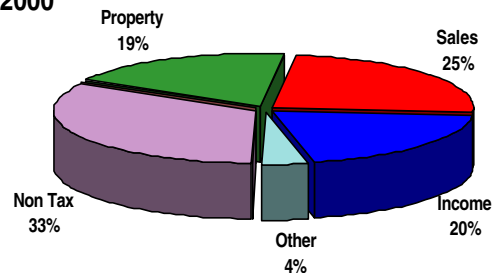
Colorado cut its flat income tax rate from 5% to 4.63% in recent years, and slightly reduced the state sales tax rate from 3% to 2.9%. The cut in the general sales tax was matched by inflationary declines in excise taxes.

## Composition of Revenues

1989



2000



Source: Government Finances, US Department of Census