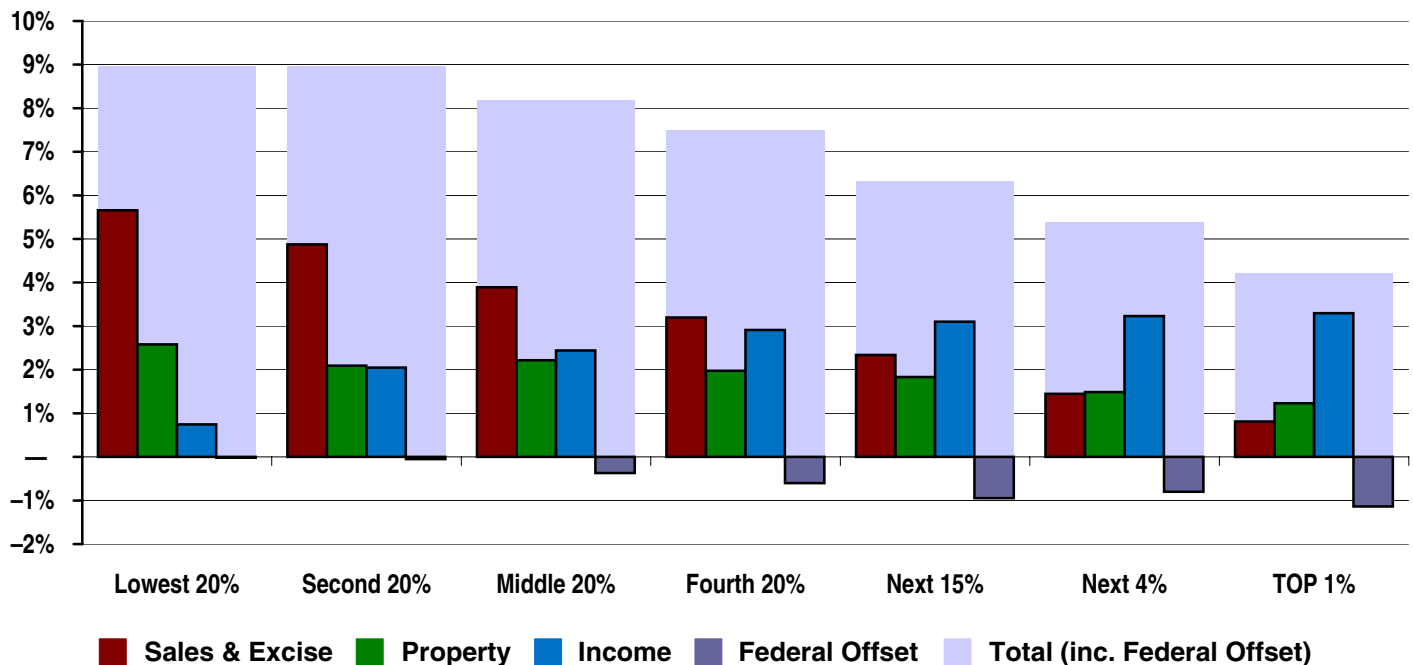


Colorado

State & Local Taxes in 2007

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%
Income Range	Less than \$20,000	\$20,000 – \$39,000	\$39,000 – \$59,000	\$59,000 – \$99,000	\$99,000 – \$209,000	\$209,000 – \$557,000	\$557,000 or more
Average Income in Group	\$11,400	\$28,700	\$48,500	\$76,200	\$134,500	\$315,000	\$1,975,800
Sales & Excise Taxes	5.7%	4.9%	3.9%	3.2%	2.3%	1.4%	0.8%
General Sales—Individuals	2.7%	2.5%	2.1%	1.8%	1.4%	0.9%	0.5%
Other Sales & Excise—Ind.	0.9%	0.6%	0.5%	0.3%	0.2%	0.1%	0.0%
Sales & Excise on Business	2.1%	1.7%	1.3%	1.0%	0.7%	0.5%	0.3%
Property Taxes	2.6%	2.1%	2.2%	2.0%	1.8%	1.5%	1.2%
Property Taxes on Families	2.6%	2.1%	2.1%	1.9%	1.7%	1.1%	0.3%
Other Property Taxes	0.0%	0.0%	0.1%	0.1%	0.1%	0.4%	0.9%
Income Taxes	0.7%	2.0%	2.4%	2.9%	3.1%	3.2%	3.3%
Personal Income Tax	0.7%	2.0%	2.4%	2.9%	3.1%	3.2%	3.2%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
TOTAL TAXES	9.0%	9.0%	8.5%	8.1%	7.3%	6.2%	5.3%
Federal Deduction Offset	-0.0%	-0.0%	-0.4%	-0.6%	-0.9%	-0.8%	-1.1%
TOTAL AFTER OFFSET	9.0%	9.0%	8.2%	7.5%	6.3%	5.4%	4.2%

Note: Table shows 2007 tax law updated to reflect permanent changes in law enacted through October 2009.

Colorado

State & Local Taxes

Features, Developments, and Comparisons

Progressive Features

- ✓ Comparatively large standard deduction and personal exemption
- ✓ Standard deduction and personal exemption indexed to inflation
- ✓ Sales tax base excludes groceries

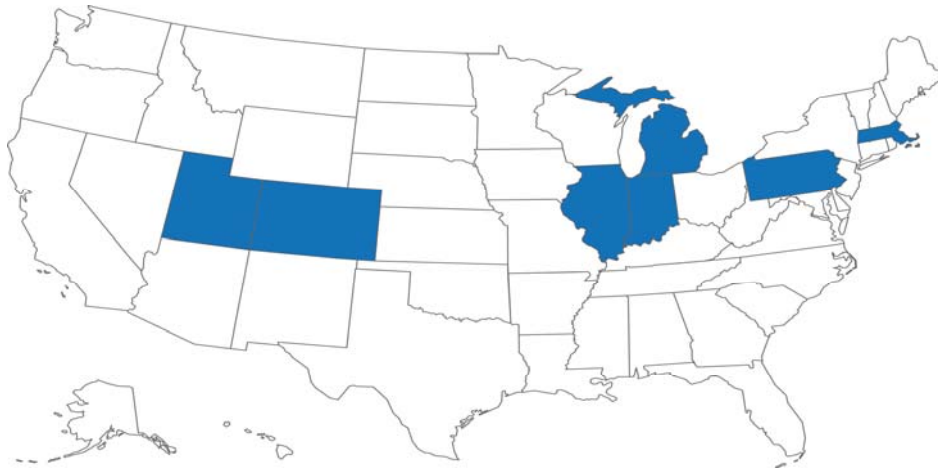
Regressive Features

- ✗ Income tax uses a single rate structure

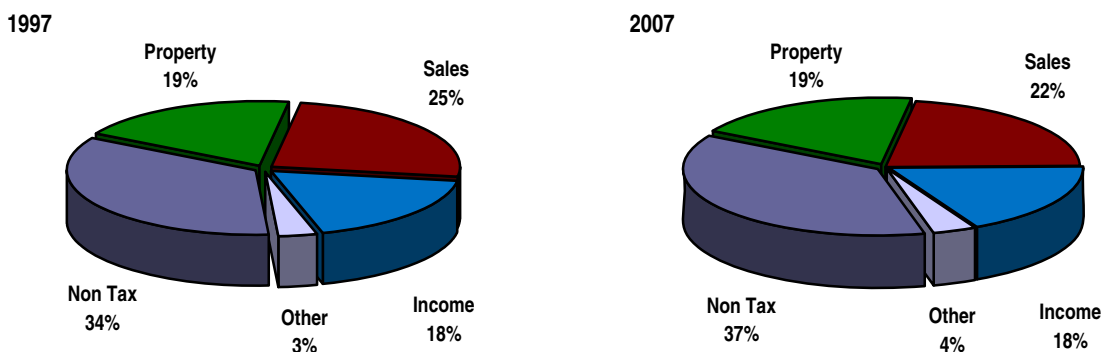
Recent Developments

- ▲ Suspended the spending constraints and automatic tax rebates associated with its Taxpayers' Bill of Rights (TABOR) for the 2006 to 2010 period
- ▲ Expanded sales tax base to include tobacco products

States with a Flat Rate Personal Income Tax



Change in the Composition of Revenue



Source: U.S. Census Bureau, Government Finances