

# Tax Facts & Comparisons Colorado

Taxes are complicated. Each state's tax code is a multifaceted system with many moving parts, and Colorado is no exception. The Tax Foundation produces a number of rankings that evaluate states on tax structures and overall tax burdens. Here's how Colorado scores.



## Tax Foundation Rankings of Colorado

### State Business Tax Climate Index

20<sup>th</sup>  
best

Colorado ranks 20th out of the 50 states on the Tax Foundation's 2014 *State Business Tax Climate Index*, which annually compares the states' tax systems on over 100 variables that impact business. Last year, Colorado ranked 19th.

Colorado's individual income tax ranks 16th best, its corporate income tax ranks 12th best, its sales tax ranks 43rd best, its property tax ranks 22nd best, and its unemployment insurance tax ranks 35th best.

Neighboring states' ranks: Arizona (23rd), Utah (9th), Wyoming (1st), Nebraska (29th) Kansas (22nd) Oklahoma (32nd) New Mexico (38th)

### State-Local Tax Burdens Rank

32<sup>nd</sup>  
highest

Estimated at 9% of income, Colorado's 2011 state-local tax burden ranks 32nd highest nationally, below the national average of 9.8%. Colorado taxpayers pay \$4,220 per capita in state and local taxes.

Neighboring states' ranks: Arizona (34th), Utah (28th), Wyoming (50th), Nebraska (25th) Kansas (26th) Oklahoma (39th) New Mexico (37th)

### Tax Freedom Day®

2015  
April  
25

In 2014, Colorado taxpayers worked 115 days into the year until April 25 to pay their total tax bill, ranking 38th highest nationally.

That's 1 day after national Tax Freedom Day (April 21), the day when Americans finally have earned enough money to pay their total tax bill for the year.

More at [taxfoundation.org/publications](http://taxfoundation.org/publications)

# Colorado Taxes at a Glance

Each state uses a variety of tax tools to raise revenue, including individual income taxes, property taxes, and sales taxes, among others. Here are some facts on how Colorado structures their different tax types:

Note: All collections listed on this page are combined state and local tax collections as reported by the Census Bureau's Government Finance Division. For all ranks, 1 indicates highest among the 50 states.

## General Info

		Rank	Nat. Avg.
Income per capita	\$46,767	10th	\$43,735
Federal aid as % of gen. revenue	28%	35th	32.8%
State debt per capita	\$9,972	14th	\$3,678

## Sources of State & Local Tax Collections

	Colorado	All States.
Property Tax	33%	32%
Sales Tax	26%	23%
Corporate Income Tax	2%	4%
Individual Income Tax	23%	22%
Other	16%	20%

## Individual Income Tax

Number of brackets	1
Bottom income bracket rate	4.63%
Bottom bracket kick in	\$0
Top income tax rate	4.63%
Top bracket kick in	federal taxable income
Collections per capita (2012)	\$946
Collections rank (2012)	24th

## Corporate Income Tax

Number of brackets	1
Top corporate tax rate	4.63%
Collections per capita (2012)	\$96
Collections rank (2012)	36th

## Excise Taxes

	Rate	Rank
Gasoline taxes and fees	22.0¢ per gallon	35th
Cigarette taxes	\$0.84 per pack	33rd
Spirits taxes	\$2.28 per gallon	46th
Beer taxes	\$0.08 per gallon	45th
Cell phone taxes	10.70%	21st

## Property Tax

Collections per capita (2012)	\$1,349
Collections rank (2012)	22nd
Property taxes paid as share of owner-occupied housing value (2013)	0.61%
Property taxes paid percent rank (2013)	43rd

## Sales Tax

State rate	2.90%
State + average local rate	7.44%
State + average local rank	15th
Collections per capita (2011)	\$1,054
Collections rank (2011)	18th

## Other Taxes

	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	None	N/A
Inheritance tax	None	N/A
Estate tax	None	N/A

## About the Tax Foundation



The Tax Foundation is the nation's leading independent tax policy research organization. Since 1937, our principled research, insightful analysis, and engaged experts have informed smarter tax policy at the federal, state, and local levels. Our Center for

State Tax Policy is routinely relied upon for presentations, testimony, and media appearances on state tax and fiscal policy, and our website is a comprehensive resource for information on tax and spending policy in each U.S. state.

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