



COLORADO

Office of the State Controller

Department of Personnel & Administration
1525 Sherman St., 5th Floor
Denver, CO 80203

September 1, 2020

The Honorable Jared S. Polis
Governor
State of Colorado

The Honorable Leroy Garcia
President of the Senate
Colorado General Assembly

The Honorable KC Becker
Speaker of the House
Colorado General Assembly

Heidi Humphreys
Interim Executive Director
Colorado Department of Revenue

Dear Ladies and Gentlemen:

Pursuant to Section 24-77-106.5(1)(b) C.R.S., I hereby certify that for Fiscal Year 2020 (FY 2020), the State's unaudited Nonexempt District Revenues subject to Article X, Section 20 (TABOR) of the State Constitution as of September 1, 2020 are \$14,866,305,327, which is 0.5% more than in FY 2019. The allowable TABOR growth rate for Nonexempt Revenues is 4.1% for FY 2020. The allowable growth rate includes a population growth rate of 1.4%, and an inflation rate of 2.7%.

The Preliminary Schedule of Computations Required Under Article X, Section 20 (first attachment) includes the computation of nonexempt revenues for FY 2019 and FY 2020 in the top box. The computation of the spending limitation in the bottom box compares FY 2020 nonexempt district revenue with Fiscal Year Spending, and with the Adjusted Excess State Revenues Cap (ESRC).

TABOR Nonexempt District Revenues are below the ESRC by \$82,542,238. Remaining excess revenues from Fiscal Years, 2015, 2018 and 2019 to be refunded total \$143,418,043.

The Nonexempt District Revenues Fiscal Year Spending limit for FY 2020, which, prior to Referendum C was the trigger used for refunding excess revenues to taxpayers, is \$12,241,478,353.

The Comparison of Nonexempt District Revenues (second attachment) compares general and program Nonexempt District Revenues for Fiscal Year 2020 to Fiscal Year 2019. Total nonexempt revenue increased by \$77,885,705 (0.5%) compared with the prior year.



The amounts reported in the attached schedules are based on unaudited account balances, and therefore are subject to change. The State Auditor is required by statute to report on the audit of these preliminary schedules by September 15, 2020. The final audited schedules will be included in the State's Fiscal Year 2020 Comprehensive Annual Financial Report, which is scheduled to be completed in December 2020.

Please contact me If you have questions concerning the information provided.

Sincerely,

A handwritten signature in black ink that reads "Robert Jaros". The script is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Robert Jaros, CPA, MBA, JD
State Controller

Enclosures



STATE OF COLORADO
PRELIMINARY SCHEDULE OF COMPUTATIONS REQUIRED
UNDER ARTICLE X, SECTION 20 -- UNAUDITED
AS OF JUNE 30, 2020

Certification Date: September 1, 2020

	FISCAL YEAR 2019	FISCAL YEAR 2020
COMPUTATION OF NONEXEMPT REVENUES		
Total State Expenditures	\$ 47,709,288,359	\$ 56,755,336,588
Less: Exempt Activity	<u>34,707,536,763</u>	<u>42,840,026,962</u>
Nonexempt District Expenditures	13,001,751,596	13,915,309,626
District Reserve/Fund Balance Increase (Decrease)	<u>1,786,668,026</u>	<u>950,995,701</u>
Total Nonexempt District Revenues	<u>\$ 14,788,419,622</u>	<u>\$ 14,866,305,327</u>
COMPUTATION OF DISTRICT FUND BALANCE CHANGES		
Beginning District Fund Balance	\$ 7,002,966,380	\$ 8,751,906,735
Qualifications, Disqualifications and Other Adjustments	1,320,604,849	1,035,983,620
Retention of Revenues in Excess of the Limit CRS 24-77-103.6(1)(a)	<u>428,335,506</u>	<u>(82,542,238)</u>
Ending District Fund Balance	<u>\$ 8,751,906,735</u>	<u>\$ 9,705,348,117</u>

COMPUTATION OF SPENDING LIMITATIONS	FISCAL YEAR SPENDING	EXCESS STATE REVENUES CAP
Fiscal Year 2019 Limit	\$ 11,759,345,200	\$ 14,360,084,116
Allowable TABOR Growth Rate	4.1%	4.1%
Fiscal Year 2020 Adjusted Limit	\$ 12,241,478,353	\$ 14,948,847,565
Less: Fiscal Year 2020 Nonexempt District Revenues	<u>(14,866,305,327)</u>	<u>(14,866,305,327)</u>
Amount (Over)Under Fiscal Year 2020 Adjusted Limit	<u>\$ (2,624,826,974)</u>	<u>\$ 82,542,238</u>
Amounts remaining in excess of the limit to be refunded in future years (by fiscal year of excess revenue)		
FY 2015		\$ 304,318
FY 2018		2,949,972
FY 2019		<u>140,163,753</u>
Total amount to be refunded in future years		<u>\$ 143,418,043</u>
FY 2020 retention of revenues in excess of the limit (not refundable) C.R.S. 24-77-103.6(1)(b)		\$ (2,624,826,974)

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER
COMPARISON OF NONEXEMPT TABOR REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Fiscal Year 2020	Fiscal Year 2019	Increase (Decrease)	Percent Change
GENERAL REVENUES				
Individual Income Tax, Net	\$ 8,032,399,506	\$ 7,554,025,207	\$ 478,374,299	6.3%
Sales and Use Tax, Net	3,406,516,314	3,399,519,069	6,997,245	0.2%
Corporate Income Tax, Net	670,434,333	855,706,743	(185,272,410)	-21.7%
Insurance Taxes	337,417,807	314,663,520	22,754,287	7.2%
Tobacco Products Tax, Net	56,910,411	54,840,609	2,069,802	3.8%
Alcoholic Beverages Tax, Net	50,069,739	48,304,172	1,765,567	3.7%
Interest and Investment Income	29,238,671	24,560,039	4,678,632	19.0%
Fiduciary Income Tax, Net	24,275,951	64,239,350	(39,963,399)	-62.2%
Court and Other Fines	10,172,014	25,517,610	(15,345,596)	-60.1%
Business Licenses and Permits	7,352,054	5,817,416	1,534,638	26.4%
General Government Service Fees	2,371,028	1,020,382	1,350,646	132.4%
Miscellaneous Revenue	2,014,974	1,559,959	455,015	29.2%
Gaming and Other Taxes	348,916	509,843	(160,927)	-31.6%
Welfare Service Fees	19,130	8,434	10,696	126.8%
Other Charges For Services	6,349	47,443	(41,094)	-86.6%
Public Safety Service Fees	-	55,650	(55,650)	-100.0%
TOTAL GENERAL-FUNDED REVENUES	12,629,547,197	12,350,395,446	279,151,751	2.3%
PROGRAM REVENUES				
Fuel and Transportation Taxes, Net	626,572,328	658,121,910	(31,549,582)	-4.8%
Motor Vehicle Registrations	274,372,225	280,349,502	(5,977,277)	-2.1%
Business Licenses and Permits	189,101,472	181,683,801	7,417,671	4.1%
Other Charges For Services	165,603,803	168,598,785	(2,994,982)	-1.8%
Court and Other Fines	161,582,265	178,205,261	(16,622,996)	-9.3%
Severance Taxes	116,842,809	241,727,089	(124,884,280)	-51.7%
Interest and Investment Income	87,678,642	88,757,023	(1,078,381)	-1.2%
Health Service Fees	87,432,522	86,491,292	941,230	1.1%
Miscellaneous Revenue	81,580,926	54,481,376	27,099,550	49.7%
General Government Service Fees	69,097,425	75,704,774	(6,607,349)	-8.7%
Gaming and Other Taxes	68,201,119	105,662,962	(37,461,843)	-35.5%
Rents and Royalties	60,701,670	64,951,667	(4,249,997)	-6.5%
Driver's Licenses	40,293,015	42,278,947	(1,985,932)	-4.7%
Employment Taxes	38,075,619	34,090,799	3,984,820	11.7%
Sales and Use Tax, Net	37,220,152	41,112,066	(3,891,914)	-9.5%
Nonbusiness Licenses and Permits	30,163,475	30,649,735	(486,260)	-1.6%
Certifications and Inspections	24,125,659	22,102,796	2,022,863	9.2%
Insurance Taxes	22,336,255	20,079,543	2,256,712	11.2%
Public Safety Service Fees	20,531,842	20,347,834	184,008	0.9%
Higher Education Auxiliary Sales and Services	10,495,912	3,935,786	6,560,126	166.7%
Local Governments and Authorities	10,489,500	24,220,711	(13,731,211)	-56.7%
Educational Fees	8,572,913	9,178,478	(605,565)	-6.6%
Welfare Service Fees	2,434,777	1,902,015	532,762	28.0%
Sales of Products	2,046,394	2,312,622	(266,228)	-11.5%
Alcoholic Beverages Tax, Net	830,922	819,571	11,351	1.4%
Other Excise Taxes, Net	374,074	257,238	116,836	45.4%
Tobacco Products Tax, Net	415	424	(9)	-2.1%
Estate and Inheritance Taxes	-	169	(169)	-100.0%
TOTAL PROGRAM REVENUES	2,236,758,130	2,438,024,176	(201,266,046)	-8.3%
TOTAL NONEXEMPT REVENUE	\$ 14,866,305,327	\$ 14,788,419,622	\$ 77,885,705	0.5%