



COLORADO

Office of the State Controller

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

September 1, 2022

The Honorable Jared S. Polis
Governor
State of Colorado

The Honorable Stephen Fenberg
President of the Senate
Colorado General Assembly

The Honorable Alec Garnett
Speaker of the House
Colorado General Assembly

Mark Ferrandino
Executive Director
Colorado Department of Revenue

Dear Gentlemen:

Pursuant to Section 24-77-106.5(1)(b) C.R.S., I hereby certify that for Fiscal Year 2022 (FY 2022), the State's unaudited Nonexempt District Revenues subject to Article X, Section 20 (TABOR) of the State Constitution as of September 1, 2022 are \$19,747,030,367. The growth rate of Nonexempt District Revenues is 22.1% for FY 2022, which is more than the allowable TABOR growth rate of 2.2% for FY 2022. The allowable growth rate includes population growth of 0.3% and inflation rate of 1.9%.

The Preliminary Schedule of Computations Required Under Article X, Section 20 (first attachment) includes computation of nonexempt revenues for FY 2021 and FY 2022 in the top box. The computation of the spending limitation in the bottom box compares FY 2022 nonexempt district revenue with Fiscal Year Spending, and with the Adjusted Excess State Revenues Cap (ESRC).

TABOR Nonexempt District Revenues are over the ESRC by \$3,734,634,514. Section 24-77-103.8(3) C.R.S. requires the State to add any remaining excess revenues not refunded in prior fiscal years to the excess revenues to be refunded for the current fiscal year. Remaining FY 2015, 2018, 2019 and 2021 excess revenues to be refunded total \$133,769,928; therefore, the total amount to be refunded for FY 2022 is \$3,868,404,442. Senate Bill 22-233 signed in May 2022 called for a special refund of excess TABOR revenue of \$750 for individual filers and \$1,500 for joint filers. As of August 31, 2022, the State remitted over \$2.5 billion in refunds to eligible taxpayers.

The Nonexempt District Revenues Fiscal Year Spending limit for FY 2022, which, prior to Referendum C was the trigger used for refunding excess revenues to taxpayers, is



\$12,929,782,977. For FY 2022, the Nonexempt District Revenues subject to TABOR exceeded the Fiscal Year Spending limit by \$6,817,247,390.

The Comparison of Nonexempt District Revenues (second attachment) compares general and program Nonexempt District Revenues for Fiscal Year 2022 to Fiscal Year 2021. Total nonexempt revenue increased by \$3,577,251,074 (22.1%) compared with the prior year. The following four revenue sources accounted for approximately 93.9% of the increased revenue in FY 2022 compared with FY 2021:

- Individual income tax - increased approximately \$2,006.5 million from FY 2021, reflecting a similar change in the June Office of State Planning and Budgeting forecast, which projected an 21.0% increase in individual income tax due to a tight labor market, wage growth and profits in pass through businesses.
- Sales and use tax - increased approximately \$689.3 million from FY 2021, primarily reflecting higher economic activity in Colorado.
- Corporate income tax - increased approximately \$351.5 million due to a growth in profits.
- Severance tax - increased by \$309.9 million, primarily due to higher oil and gas prices and increased production.

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, 2022. The final audited schedules will be included in the State's Fiscal Year 2022 Annual Comprehensive Financial Report, which is scheduled to be completed in December 2022.

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

Sincerely,



Robert Jaros, CPA, MBA, JD
State Controller

Enclosures



STATE OF COLORADO
PRELIMINARY SCHEDULE OF COMPUTATIONS REQUIRED
UNDER ARTICLE X, SECTION 20
AS OF JUNE 30, 2022

Certification Date: September 1, 2022

	FISCAL YEAR 2021	FISCAL YEAR 2022
COMPUTATION OF NONEXEMPT REVENUES		
Total State Expenditures	\$ 67,186,300,966	\$ 67,481,847,253
Less: Exempt Activity	54,898,683,743	52,240,392,836
Nonexempt District Expenditures	12,287,617,223	15,241,454,417
District Reserve/Fund Balance Increase (Decrease)	3,882,162,070	4,505,575,950
Total Nonexempt District Revenues	\$ 16,169,779,293	\$ 19,747,030,367
COMPUTATION OF DISTRICT FUND BALANCE CHANGES		
Beginning District Fund Balance	\$ 9,860,230,346	\$ 13,823,736,938
Qualifications, Disqualifications and Other Adjustments	3,438,050,912	770,941,436
Retention of Revenues in Excess of the Limit CRS 24-77-103.6(1)(a)	525,455,680	3,734,634,514
Ending District Fund Balance	\$ 13,823,736,938	\$ 18,329,312,888

COMPUTATION OF SPENDING LIMITATIONS	FISCAL YEAR SPENDING	EXCESS STATE REVENUES CAP
Fiscal Year 2021 Limit	\$ 12,628,068,353	\$ 15,644,323,613
Other Agency Prior Year Revenues from Disqualified Enterprises	(249,356)	(249,356)
Qualification of Enterprises	(2,762,957)	(2,762,957)
Fiscal Year 2021 Adjusted Limit	\$ 12,625,056,040	\$ 15,641,311,300
Allowable TABOR Growth Rate	2.2%	2.2%
Fiscal Year 2022 Unadjusted Limit	\$ 12,902,807,273	\$ 15,985,420,149
Disqualification of Enterprises	26,975,704	26,975,704
Fiscal Year 2022 Adjusted Limit	\$ 12,929,782,977	\$ 16,012,395,853
Less: Fiscal Year 2022 Nonexempt District Revenues	(19,747,030,367)	(19,747,030,367)
Amount (Over)Under Fiscal Year 2022 Adjusted Limit	\$ (6,817,247,390)	\$ (3,734,634,514)
Amounts remaining in excess of the limit to be refunded in future years (by fiscal year of excess revenue)		
FY 2015		\$ 266,633
FY 2018		308,721
FY 2019		23,037,478
FY 2021		110,157,096
FY 2022		3,734,634,514
Total amount to be refunded in future years		\$ 3,868,404,442
FY 2022 retention of revenues in excess of the limit (not refundable) C.R.S. 24-77-103.6(1)(b)		\$ 3,082,612,876

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER
COMPARISON OF NONEXEMPT TABOR REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Fiscal Year 2022	Fiscal Year 2021	Increase (Decrease)	Percent Change
GENERAL REVENUES				
Individual Income Tax, Net	\$ 10,558,696,296	\$ 8,552,154,048	\$ 2,006,542,248	23.5%
Sales and Use Tax, Net	4,321,563,487	3,632,266,905	689,296,582	19.0%
Corporate Income Tax, Net	1,469,314,785	1,117,777,059	351,537,726	31.4%
Insurance Taxes	390,176,232	336,301,330	53,874,902	16.0%
Fiduciary Income Tax, Net	146,666,016	117,201,679	29,464,337	25.1%
Interest and Investment Income	65,385,157	46,783,615	18,601,542	39.8%
Alcoholic Beverages Tax, Net	56,340,487	53,362,690	2,977,797	5.6%
Tobacco Products Tax, Net	52,613,504	59,176,733	(6,563,229)	-11.1%
Business Licenses and Permits	6,273,319	3,834,353	2,438,966	63.6%
Court and Other Fines	6,130,218	7,578,922	(1,448,704)	-19.1%
Miscellaneous Revenue	1,644,108	1,595,493	48,615	3.0%
Gaming and Other Taxes	414,131	327,147	86,984	26.6%
General Government Service Fees	177,069	1,420,418	(1,243,349)	-87.5%
Welfare Service Fees	21,404	22,599	(1,195)	-5.3%
Other Charges For Services	9,535	10,384	(849)	-8.2%
TOTAL GENERAL-FUNDED REVENUES	17,075,425,748	13,929,813,375	3,145,612,373	22.6%
PROGRAM REVENUES				
Fuel and Transportation Taxes, Net	636,262,629	595,714,024	40,548,605	6.8%
Severance Taxes	314,626,169	4,701,881	309,924,288	6591.5%
Motor Vehicle Registrations	291,688,617	273,590,137	18,098,480	6.6%
Business Licenses and Permits	207,246,310	199,840,438	7,405,872	3.7%
Court and Other Fines	173,284,903	168,529,288	4,755,615	2.8%
General Government Service Fees	163,706,601	100,251,353	63,455,248	63.3%
Other Charges For Services	162,297,724	162,442,854	(145,131)	-0.1%
Gaming and Other Taxes	114,973,451	101,142,250	13,831,201	13.7%
Health Service Fees	81,599,299	83,596,966	(1,997,667)	-2.4%
Rents and Royalties	67,846,135	67,460,344	385,791	0.6%
Miscellaneous Revenue	61,890,649	151,328,491	(89,437,842)	-59.1%
Interest and Investment Income	61,215,095	51,175,747	10,039,348	19.6%
Sales and Use Tax, Net	54,978,007	30,226,241	24,751,766	81.9%
Employment Taxes	48,729,715	40,153,832	8,575,883	21.4%
Driver's Licenses	48,100,964	44,191,549	3,909,415	8.8%
Insurance Taxes	43,955,565	51,506,197	(7,550,632)	-14.7%
Public Safety Service Fees	41,532,302	34,182,940	7,349,362	21.5%
Nonbusiness Licenses and Permits	34,073,120	33,158,813	914,307	2.8%
Educational Fees	21,812,922	25,960,317	(4,147,395)	-16.0%
Certifications and Inspections	25,196,168	24,691,511	504,657	2.0%
Local Governments and Authorities	7,804,978	13,027,169	(5,222,191)	-40.1%
Higher Education Auxiliary Sales and Services	3,189,889	3,028,053	161,836	5.3%
Welfare Service Fees	2,965,173	1,914,821	1,050,352	54.9%
Sales of Products	1,409,742	1,138,495	271,247	23.8%
Alcoholic Beverages Tax, Net	814,146	833,360	(19,214)	-2.3%
Other Excise Taxes, Net	404,176	306,011	98,165	32.1%
Tobacco Products Tax, Net	170	210	(40)	-19.0%
TOTAL PROGRAM REVENUES	2,671,604,619	2,264,093,292	407,511,327	18.0%
Prior Year Errors		1,925,035	(1,925,035)	
Qualification of Enterprises		(2,762,957)	2,762,957	
Disqualification of Enterprises		(23,289,452)	23,289,452	
TOTAL NONEXEMPT REVENUE	\$ 19,747,030,367	\$ 16,169,779,293	\$ 3,577,251,074	22.1%