

STATE OF COLORADO

DEPARTMENT OF REVENUE

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Bill Ritter, Jr.
Governor

Roxanne Huber
Executive Director

September 30, 2010

The Honorable Brandon Shaffer
President of the Senate
Colorado General Assembly

The Honorable Terrance Carroll
Speaker of the House
Colorado General Assembly

The Honorable John Morse
Senate Majority Leader
Colorado General Assembly

The Honorable Paul Weissmann
House Majority Leader
Colorado General Assembly

The Honorable Mike Kopp
Senate Minority Leader
Colorado General Assembly

The Honorable Mike May
House Minority Leader
Colorado General Assembly

Dear Senators and Representatives:

With the enactment of SB10-212, only one mechanism for refunding state surplus revenues *with a threshold amount* remains, the earned income tax credit. For FY 2010-11, if there were any surplus revenues remaining after the earned income tax credit threshold level was met, the remainder would be refunded through a tiered sales tax refund.

Although the State Controller has certified that there were no state surplus revenues for FY 2009-10, statutes require me to advise you of the new surplus threshold amount that, given the existence of a refundable surplus, would trigger the distribution of surplus revenues through the earned income tax credit.

As required by statutes, the threshold amount is adjusted "to reflect the rate of growth of Colorado personal income for the calendar year immediately preceding the calendar year in which such adjustment is made." Attachment A reports the estimated rate of growth in Colorado personal income between calendar year 2008 and calendar year 2009 and the resulting adjusted threshold amount for the earned income tax credit.

Sincerely,

A handwritten signature in blue ink, appearing to read "Roxanne Huber".

Roxanne Huber
Executive Director
Colorado Department of Revenue
Attachment

ATTACHMENT A:

TABOR Refund Mechanisms and TABOR Surplus Threshold Amounts

Colorado Revised Statute	TABOR Surplus Refund Mechanism	TABOR Surplus Adjustment for		TABOR Surplus Thresholds for Refunds Distributed in FY2010-11 (\$'s in millions)	Estimated TABOR Refunds Distributed in FY2010-11 (\$'s in millions)
		Thresholds for Refunds Distributed in FY2009-10 (\$'s in millions)	Growth in Colorado Personal Income 2009/2008 ^{1/}	Thresholds for Refunds Distributed in FY2010-11 (\$'s in millions)	
39-22-123	Earned Income Tax Credit	\$84.8	0.97905	\$83.0	NA ^{2/}

^{1/} Personal Income Estimates September, 2010

^{2/} Not available as a refund mechanism of FY 2009-10 surplus revenues.