



**COLORADO**  
Department of Revenue  
Executive Director's Office

Physical Address:  
1881 Pierce Street  
Lakewood, CO 80214

Mailing Address:  
P.O. Box 17087  
Denver, CO 80217-0087

October 1, 2024

The Honorable Steve Fenberg  
President of the Senate  
Colorado General Assembly

The Honorable Julie McCluskie  
Speaker of the House  
Colorado General Assembly

The Honorable Robert Rodriguez  
Senate Majority Leader  
Colorado General Assembly

The Honorable Monica Duran  
House Majority Leader  
Colorado General Assembly

The Honorable Paul Lundeen  
Senate Minority Leader  
Colorado General Assembly

The Honorable Rose Pugliese  
House Minority Leader  
Colorado General Assembly

Dear Senators and Representatives:

The Colorado Department of Revenue (CDOR) is required to report annually on the refund mechanisms for Nonexempt District Revenues subject to Article X, Section 20 (TABOR) of the State's Constitution using data from the State Controller, State Auditor, Legislative Council Staff, and tax data from CDOR.

On August 31, 2024, the State Controller certified that the Fiscal Year 2024 (FY 2024) unaudited state revenues subject to TABOR were \$19,444,668,453. These revenues exceed the Excess State Revenue Cap (ESRC) by \$1,371,507,859, so refunds are required. Additionally, the state is required to add any remaining excess revenues not refunded in prior fiscal years. The prior year total is \$288,773,615, bringing the total to be refunded for FY 2024 to \$1,660,281,474.

On September 14, 2024, the State Auditor provided the results of their TABOR audit, stating adjustments were needed due to corrections made by OSC and other departments after the State Controller's certification of the TABOR Financial Report on August 31, 2024. These adjustments decreased the unaudited state revenues subject to TABOR and subsequently decreased the FY 2024 refund amount by \$14,301,124. Therefore, the total amount to be refunded for FY 2024 is \$1,645,980,350.

Statute<sup>1</sup> requires CDOR to calculate estimates using the most recent forecast prepared by Legislative Council Staff (LCS), which differs from that prepared by the Office of State Planning and Budgeting.

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<sup>1</sup> §§39-22-627(4 & 5), 39-22-2003(4)(b), 39-22-2002(6)(a), 39-22-2004(2)(d), C.R.S.



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**All three TABOR refund mechanisms under current law will be used:**

| 2024 TABOR Refund Mechanisms  |                                   |                   |
|---|-----------------------------------|-------------------|
| Refund Mechanism  | Statute                           | Refund Amount     |
| Property Tax Refund: Senior and Veterans Property Tax Exemptions Reimbursement (SB17-267) | §39-3-209, C.R.S.                 | \$166.2 million   |
| Income Tax Rate Reduction (SB24-288)  | §39-22-627, C.R.S.                | \$468.5 million   |
| Sales Tax Refund: Six Tiers   | §§39-22-2001 through 2003, C.R.S. | \$1,011.3 million |

**Sales Tax Refund Details:**

The sales tax refund can be claimed by filing a 2024 individual income tax return or a property tax, rent, and heat rebate application. CDOR estimates that each qualified taxpayer would receive an average sales tax refund of \$260 which exceeds the identical refund threshold of \$15 per taxpayer. Fifteen dollars was used because CDOR has not received guidance from the IRS per §39-22-2002(3.5), C.R.S. The average sales tax refund exceeds the identical refund threshold, therefore the refund per taxpayer will vary based on their modified adjusted gross income (AGI). Six modified AGI tiers are used. The AGI levels in each tier are set using the most recent available modified AGI data and the share of taxpayers that were within each tier in tax year 1999. The refund amounts per taxpayer are set using the total 2024 sales tax refund mechanism amount and the share of the total sales tax refund each tier received in tax year 1999. The tiers and refund amounts are shown in the table below. The total estimated sales tax refund shown below is slightly higher than the value in the refund mechanism table above due to rounding.

| 2024 TABOR Sales Tax Refund: Six Tiers |                                |                     |                    |                                  |
|--|--------------------------------|---------------------|--------------------|----------------------------------|
| Tier                                   | Modified Adjusted Gross Income | Single Filer Refund | Joint Filer Refund | Total Estimated Sales Tax Refund |
| Tier 1                                 | \$53,000 or less               | \$177               | \$354              | \$242.6 million                  |
| Tier 2                                 | \$53,001 to \$105,000          | \$240               | \$480              | \$250.1 million                  |
| Tier 3                                 | \$105,001 to \$166,000         | \$277               | \$554              | \$185.9 million                  |
| Tier 4                                 | \$166,001 to \$233,000         | \$323               | \$646              | \$115.3 million                  |
| Tier 5                                 | \$233,001 to \$302,000         | \$350               | \$700              | \$59.3 million                   |
| Tier 6                                 | \$302,001 or more              | \$565               | \$1,130            | \$158.2 million                  |
| <b>Total</b>                           |                                |                     |                    | <b>\$1,011.5 million</b>         |

Sincerely,

Heidi Humphreys  
 Executive Director



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