Projected Tabor Rebates in Eight Charts

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The Bell Policy Center
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TABOR Revenue, Limit and Rebates

• Cash funds and General Funds combine to determine if state is over the TABOR limit
• All rebates are paid from General Funds ONLY. General Funds are used for things like K-12 education, higher education and health care
• Rebates are projected for:
  – FY14-15 - $153.6 million
  – FY15-16 - $0
  – FY16-17 - $252.5 million
  – FY17-18 - $352.5 million
Amount of Projected TABOR Rebates
(Legislative Council Staff Sept 2015 Projections)

<table>
<thead>
<tr>
<th>FY</th>
<th>EITC</th>
<th>Temp Income Tax Reduction</th>
<th>Sales Tax Rebate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14-15</td>
<td>$85.7</td>
<td>$67.9</td>
<td>$0.0</td>
</tr>
<tr>
<td>FY15-16</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>FY16-17</td>
<td>$216.1</td>
<td>$36.4</td>
<td>$0.0</td>
</tr>
<tr>
<td>FY17-18</td>
<td>$228.1</td>
<td>$123.9</td>
<td>$0.0</td>
</tr>
</tbody>
</table>
FY14-15 TABOR Rebates Per Taxpayer by Income

- Biggest rebates go to low- and moderate-income taxpayers because of the Earned Income Tax Credit
- Once funded as a TABOR rebate, the EITC becomes a permanent tax credit

![Bar chart showing rebate amounts by income bracket]

<table>
<thead>
<tr>
<th>Adjusted Gross Income</th>
<th>Single Filers Sales Tax Rebate and EITC</th>
<th>Joint Filers Sales Tax Rebate and EITC</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to $36,001</td>
<td>$247</td>
<td>$260</td>
</tr>
<tr>
<td>$36,001 - $77,000</td>
<td>$150</td>
<td>$168</td>
</tr>
<tr>
<td>$77,000 - $120,000</td>
<td>$21</td>
<td>$42</td>
</tr>
<tr>
<td>$120,000 - $163,000</td>
<td>$23</td>
<td>$46</td>
</tr>
<tr>
<td>$163,000 - $204,000</td>
<td>$25</td>
<td>$50</td>
</tr>
<tr>
<td>Over $204,000</td>
<td>$41</td>
<td>$82</td>
</tr>
</tbody>
</table>
Biggest EITCs go to Hardworking Families
(Actual average earnings for jobs in CO)

- Single Parent, 2 Kids, Retail Cashier, $19,732 per year,
- Single Parent, 2 Kids, Minimum Wage, $17,118 per year
- Married couple, 3 kids, Cement Mason, $24,911 per year
FY16-17 TABOR Rebates Per Taxpayer by Income

- Biggest TABOR rebates go to those with the highest income because of the temporary income tax rate cut rebate.

![Graph showing TABOR rebates by income level.](image)

### Adjusted Gross Income

- **Single Filers**:
  - Up to $37,601: $18
  - $37,601 - $80,500: $55
  - $80,500 - $125,500: $98
  - $125,500 - $170,400: $145
  - $170,400 - $213,300: $185
  - Over $213,300: $496

- **Joint Filers**:
  - Up to $37,601: $21
  - $37,601 - $80,500: $44
  - $80,500 - $125,500: $94
  - $125,500 - $170,400: $145
  - $170,400 - $213,300: $195
  - Over $213,300: $524

- **Single Filers Sales Tax and Income Tax Rate Cut Rebate**
- **Joint Filers Sales Tax and Income Tax Rate Cut Rebate**
• Again, the biggest TABOR rebates go to those with the highest income because of the temporary income tax rate cut rebate.

<table>
<thead>
<tr>
<th>Adjusted Gross Income</th>
<th>Amount of Rebates</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to $38,501</td>
<td>$31</td>
</tr>
<tr>
<td>$38,501 - $82,400</td>
<td>$47</td>
</tr>
<tr>
<td>$82,400 - $128,500</td>
<td>$88</td>
</tr>
<tr>
<td>$128,500 - $174,500</td>
<td>$129</td>
</tr>
<tr>
<td>$174,500 - $218,400</td>
<td>$150</td>
</tr>
<tr>
<td>Over $218,400</td>
<td>$184</td>
</tr>
</tbody>
</table>

Single Filers Sales Tax and Income Tax Rate Cut Rebate
Jont Filers Sales Tax and Income Tax Rate Cut Rebate
TABOR Rebates Could be Better Used to Fund State Priorities*

- All taxpayers with incomes less than $128,500 projected to receive less than $150 in rebates. Those below $39,000 projected to get less than $50.
- TABOR rebates could be better used to:
  - Reduce the underfunding in K-12 Education by 30% in FY16-17 and 41% in FY17-18
  - Increase state funding for higher education by 39% in FY16-17 and 54% in FY17-18.
  - Triple the amount of need-based college financial aid in FY16-17 and almost quadruple it in FY17-18
  - Double the amount used for road and bridge safety projects in FY16-17 and increase it by 146% in FY 17-18

*Increases over amount spent in FY15-16.
TABOR Rebates Compared to State Priorities
(Based on FY15-16 spending)

FY16-17 TABOR Rebates

FY17-18 TABOR Rebates