



RESOURCES TO UNDERSTAND TABOR REFUND LAW

For an overview of current TABOR refund law see:

TABOR REFUND MECHANISMS, Colorado Legislative Council Issue Brief, number 10-16, October 22, 2010

<http://www.colorado.gov/cs/Satellite?blobcol=urldata&blobheader=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1251808242378&ssbinary=true>

PLEASE NOTE: The above overview was developed prior to passage of SB 13-001, a bill that makes the Earned Income Tax Credit a permanent part of the Colorado tax code rather than a TABOR refund mechanism.

For the law that governs the EITC becoming a permanent tax credit once initially triggered as a TABOR rebate mechanism, see: Colorado Revised Statute 39-22-123 and Colorado Revised Statute 39-22-123.5

FOCUS COLORADO: Economic and Review Forecast Colorado Legislative Council, Staff Economic Section, December 20, 2013

See Figure 2, page 10

[http://www.leg.state.co.us/lcs/econforecast.nsf/vwFile/1312/\\$File/13DecemberForecast.pdf#page=15](http://www.leg.state.co.us/lcs/econforecast.nsf/vwFile/1312/$File/13DecemberForecast.pdf#page=15)

OTHER IMPLICATIONS OF TABOR REFUNDS

Senate Bill 09-228 requires increases in the state statutory reserve, as well as general fund transfers to the Capitol Construction Fund and the Highway Users Tax Fund when certain growth targets are met. The amount of those increases and transfers are affected by the size of TABOR refunds. The table on the next page outlines the impact.

Required Increases or Transfers in Years with No TABOR Rebates				Reduction in Increases if TABOR Rebates Equal:		
Use/Fund	Year 1 of Transfer	Year 2 of Transfer	Years 3, 4 and 5	Less than 1% of General Fund Revenues	More than 3% but less than 5% of General Fund Revenues	More than 5% of General Fund Revenues
Statutory Reserve	4.5% of the amount appropriated from the General Fund	5.0% of the amount appropriated from the General Fund	Increases by .5% up to 6.5% of the amount appropriated from the General Fund	No effect	No effect	No effect
Capital Construction Fund	Amount equal to .5% of total General Fund Revenues	Amount equal to .5% of total General Fund Revenues	Amount equal to 1% of total General Fund Revenues	No reduction	50% reduction	100% reduction
Highway Users Tax Fund	Amount equal to 2% of total General Fund Revenues	Amount equal to 2% of total General Fund Revenues	Amount equal to 2% of total General Fund Revenues	No reduction	50% reduction	100% reduction

For the language of SB 09-228 that outlines these increases and reductions, see:

http://www.leg.state.co.us/CLICS/CLICS2009A/csl.nsf/fsbillcont3/17876F425F145B90872575540059F38C?Open&file=228_enr.pdf
