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DENVER BUSINESS JOURNAL

OPINION

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Editorial

Colo. lags nation on tax front

Denver Business Journal

When Colorado lawmakers convene next month to begin the annual battle to balance the state budget, they -- and voters -- would be advised to consult a report sent out this week by the Center for Tax Policy.

It's a pamphlet called "How Colorado Compares ... State Taxes and Spending." The center, formerly known as the Colorado Public Expenditures Council, puts one out every couple of years.

It compares tax collections and state and local government spending in all 50 states. The data is a little old, but the relative rankings still hold. If anything, since 2000, the year upon which this report is based, Colorado has fallen in relation to other states.

Regardless of how you come down on efforts to reform Colorado constitutional limits on taxes and spending, the data is a valuable place to begin any discussion.

Colorado, the report says, remains one of the most fiscally decentralized states in the union. Only 54 percent of total taxes were collected by state government here, which places us 46th in the nation.

Local governments in Colorado -- county, municipal and special taxing districts -- collected 46 percent of the total revenue, which places Colorado fifth in the nation in that measurement.

The statistics show Colorado state government collects \$47.74 cents for every \$1,000 of personal income -- 47th lowest in the nation. Unconfirmed reports suggest that more recent data puts Colorado dead last.

We're about in the middle of the pack in the amount of state individual income taxes collected per \$1,000 of income -- 27th. Likewise for corporate income taxes per \$1,000 of income -- 32nd. Fuel taxes per \$1,000 of income put us 38th in the nation.

The spending side of the equation is even more interesting.

Combined state and local government spending is \$152 per \$1,000 of personal income -- 46th lowest in the U.S. On higher education spending, we were 29th in 2000, but with the TABOR-induced budget cuts of the past couple of years, we've undoubtedly fallen even further.

In state and local spending on K-12 education, when expressed in terms of \$1,000 of personal income, Colorado is 49th, just ahead of Hawaii. We're 46th in the U.S. in welfare spending, 26th for prison spending, 31st for hospital expenditures and 35th for spending on highways.

We value parks and recreation, though. We're fifth in the nation in that category.

Any way you look at it, Colorado is at a crossroads in its approach to taxation and government spending. Lawmakers, voters and public interest groups ought to at least come at the questions on fiscal policies with the facts in hand, not just their ideologies and pre-conceived notions of how things ought to be.

For more information on the Center for Tax Policy, or to obtain a copy of "How Colorado Compares...", contact the center at 303-759-8840 or visit the Web site at www.centerfortaxpolicy.org.

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