

**FOR IMMEDIATE RELEASE**  
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**COLORADO AMONG MOST FISCALLY DECENTRALIZED STATES**  
**CTP Study Points to Weak State Government**

**DENVER, CO** --Colorado remained one of the most fiscally decentralized states in the nation with relatively strong local governments and a weak state government in FY 2003-2004, according to a new study released by the Center for Tax Policy. The information was based upon recently released data by the U.S. Census Bureau.

In terms of combined state and local government taxes, Colorado placed 26<sup>th</sup> when measured on a per capita basis and 47<sup>th</sup> when measured on a per \$1,000 of income basis. Colorado's difference with the other states is shown when tax receipts are separated between state government and local government categories. Colorado ranked 48<sup>th</sup> in the percentage share of state and local tax revenues going to state government and 3<sup>rd</sup> in receipts allocated to local governments. For FY 2004, Colorado ranked 48<sup>th</sup> in per capita state government taxes and 49<sup>th</sup> when measured on an income basis. Conversely, Colorado placed 8<sup>th</sup> in per capita local government taxes and 13<sup>th</sup> per income.

The ability of Colorado local governments to collect significant revenue from sales taxes helps to explain the fiscal dichotomy. While Colorado ranked 17<sup>th</sup> per capita and 27<sup>th</sup> per income for combined state and local general sales taxes, large differences are shown when separately studied between state government and local government. Colorado placed 43<sup>rd</sup> per capita and 44<sup>th</sup> per income for the 45 states that collect general sales taxes. On the other hand, Colorado ranked 3<sup>rd</sup> for both per capita and per income local sales taxes. As this included the District of Columbia, the state ranked second among states in per capita and per income local sales tax receipts.

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## COLORADO FISCAL DECENTRALIZATION 2-2-2-2

Colorado fell below the national average for both property and income taxes. Colorado ranked 24<sup>th</sup> per capita and 33<sup>rd</sup> per income for state and local property taxes – Colorado’s state government does not levy a property tax. Colorado’s state government ranked 18<sup>th</sup> per capita and 30<sup>th</sup> per income for state government individual income taxes, out of the 43 states that levy an income tax. Colorado ranked 5<sup>th</sup> in its share of income remaining after state and local taxes.

In terms of state and local spending, Colorado fell below the national average, ranking 25<sup>th</sup> per capita and 46<sup>th</sup> per income. Colorado was 29<sup>th</sup> per capita and 46<sup>th</sup> per income in state and local spending on elementary and secondary education. The state placed 22<sup>nd</sup> and 33<sup>rd</sup> for spending on higher education. This measure includes revenue from tuition, research and other sources, in addition to state and local government support. Colorado placed 15<sup>th</sup> per capita and 22<sup>nd</sup> per income for highway expenditures and 50<sup>th</sup> on both measures for public welfare. The state achieved its highest ranking, 2<sup>nd</sup> per capita and 3<sup>rd</sup> per income for state and local spending on parks and recreation.

Founded in 1946 as the Colorado Public Expenditure Council, the Center for Tax Policy is a non-partisan, non-profit taxpayer organization that gathers information to guide the formation of public tax policy. A 501C (3) organization, CTP issues regular reports on tax and finance issues to assist both business and government decision-makers in developing fair and equitable tax policy. CTP also conducts fee-based research on a selective basis.

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