

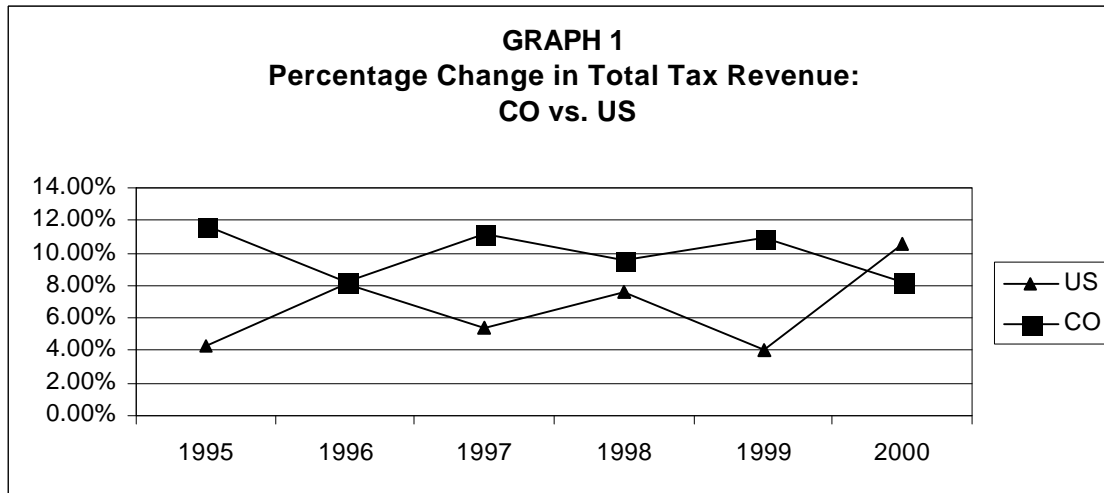
**C P E C**  
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## Trends in State Revenue Collections, 1995 - 2000: Colorado vs. US

This CPEC Center for Tax Policy publication, the first in a series that will be updated annually, compares changes in Colorado state revenue collections to changes in the same revenue categories for all the states in the nation overall. Although state revenue collections are not the only means of comparing economic activity, they do provide a snapshot of the health of the economy in a particular state. Generally, stronger economies with greater economic activity produce increases in the rate of growth of revenue collections at the state level.

An examination of the time series of revenue changes reveals that, in terms of state revenue collections, Colorado outperformed the nation overall in times of economic growth and retained strength as state revenue collections nationwide began to experience downturns between 1998 and 1999. However, the data on revenue changes between 1999 and 2000, the last years for which data is available for this report, suggest that Colorado's economy began to underperform the nation in revenue collections by the end of 2000.



The full report evaluates major tax and fee categories separately, and consistently finds that the nation experienced an increase in growth rates of revenue collections between 1999 and 2000 while Colorado experienced a decrease. Whether this is a trend that will continue through the end of 2001 remains unknown, as the Census Bureau data to perform such calculations is not yet available. However, if this downturn in Colorado in 2000 is the beginning of a longer trend, it would be consistent with recent observations of the Colorado economy and job market which acknowledge that both recession and recovery come later to Colorado than to other states in the nation due to Colorado's relatively light reliance on manufacturing as the basis of the state's economy. Future editions of this report will help to better determine whether the 1999-2000 downturn was simply a one-time event or the beginning of a trend for Colorado's economy relative to that of the other states. As this time series is better developed, it will provide a better understanding of Colorado's relative position in revenue growth and perhaps aid in revenue forecasting during future economic cycles.

*An independent research organization in collaboration with the Daniels College of Business at the University of Denver*

2755 South Locust Street, Suite 113 • Denver, CO 80222 • 303•759•8840 • Fax 303•753•0099 • [www.cpecresearch.org](http://www.cpecresearch.org)