

CTP
CENTER FOR TAX POLICY
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COLORADO PROPERTY VALUES AND TAX TRENDS, 1987-2006

- While assessed values (upon which taxes are calculated) have remained fairly constant over the past two decades, actual or market values have increased dramatically. Assessed values rose by 124% during the past 20 years. Actual values jumped by 278%. Most of these gains took place in the past decade.
- When adjusted for inflation, per capita actual values rose by about 50% over the 20-year period. However, per capita assessed values declined in constant dollars. In order to maintain the ratio between residential and non-residential property, as outlined in the Gallagher Amendment, the residential assessment rate dropped from 18% in 1987 to about 8% in 2006.
- As a share of actual valuation, residential property rose from 61% to 78% over the period and non-residential declined from 39% to 22%. Due to the mechanics of the Gallagher Amendment, the share of assessments were relatively stable with the residential assessment share declining slightly from 48% to 46% and non-residential property's share rising from 52% to 54%
- Property tax receipts more than doubled over the 20-year period, from \$2.1 billion to about \$5.5 billion. In per capita terms, tax revenues rose by 83% for the 20-year period, with most of the gains taking place in the last decade. However, when adjusted for inflation, per capita constant dollar property tax revenue rose by only 2% between 1987 and 2006.
- Another way to analyze receipts is to relate them to the personal income of the state. As a percentage of income, property tax revenues declined from 3.9% in 1987 to 2.8% in 1997 and rose slightly to 2.9% in 2006. Property taxes for school districts declined from 2.4% of personal income to 1.5% for the period. School district revenue as a percentage of income began to decline following the changes in the School Finance Act of 1988.