

STATE OF COLORADO

TAXPAYER SERVICE DIVISION
Department of Revenue

1375 Sherman Street
Denver, Colorado 80261



Bill Ritter, Jr.
Governor

Roxanne Huber
Executive Director

Becky Wetzel
Division Director

Colorado Property Tax/Rent/Heat Rebate

The Colorado Property Tax/Rent/Heat (PTC) Rebate program started in 1972 to provide property tax assistance to low income Colorado residents over age 65 and surviving spouses over age 58. Assistance for heat expenses was added in 1980. Disabled individuals became eligible in 1987.

Funds for the rebate come from the General Fund and are continuously appropriated by a permanent statute; §39-31-102, C.R.S.

Filing Statistics

The following chart illustrates the recent history of PTC filings.

FISCAL YEAR ENDING JUNE 30	2003	2004	2005	2006	2007	2008	2009
Number of PTC Returns	47,154	47,239	44,620	38,827	30,399	36,200	26,058
Total rebates issued	\$16,787,635	\$15,731,515	\$13,917,904	\$11,676,772	\$8,255,633	\$8,728,936	\$8,290,629
Average Rebate	\$356	\$333	\$312	\$301	\$272	\$241	\$318
% Change - Number of Returns	16.8%	0.2%	-5.5%	-13.0%	-21.7%	11.9%	-28.0%
% Change - Total issued	23.8%	-6.3%	-11.5%	-16.1%	-29.3%	5.7%	-5.0%
% Change - Average Rebate	6.0%	-6.5%	-6.3%	-3.6%	-9.6%	-11.4%	32.0%

Prior to FY2009, annual increases in Social Security income and disability payments reduced the number of individuals qualified for the rebate each year because the rebate phases out as an individual's income increases. The lower average rebates are a function of the increase in income coupled with the phase out rules. Beginning in FY2009, the phase out threshold was increased and is now indexed for inflation.

Changes in the economy affect the rebate claims by increasing or decreasing the wages earned by applicants. A downturn in the economy moves many low-income individuals down into the PTC income range, while an upturn in the economy moves marginal applicants up out of the PTC income range.

Fiscal year 2007: The decreases are a result of the legal presence requirements that were introduced.

Fiscal year 2009: The number of PTC returns is more accurate than prior years as a result of the Gentax system.

PTC Rebate Amounts and Phase Out Rules

The PTC rebate calculation starts with the maximum credit allowed, which consists of two components; a property tax/rent rebate and a heat expense rebate. Individuals with gross income over a base amount are required to reduce the maximum rebate available by a percentage of the amount their income exceeds the base income level.

	1998 law	1999-2007 law	2008 law*	2009
Maximum PTC Rebate allowed	\$660	\$792	\$792	\$792
Maximum Property Tax/ Rent Rebate	\$500	\$600	\$600	\$600
Maximum Heat Rebate	\$160	\$192	\$192	\$192
Base income level – Single	\$5,000	\$5,000	\$6,000	\$6,102
Base income level – Married	\$8,700	\$8,700	\$9,700	\$9,864
% of income over base that reduces the property tax/rent rebate that can be claimed	20%	10%	10%	10%
% of income over base that reduces the heat rebate that can be claimed	6.4%	3.2%	3.2%	3.2%
Income level where phase out reduces the rebate to \$0 - Single filer	\$7,500	\$11,000	12,000	\$12,102
Income level where phase out reduces the rebate to \$0 - Joint filer	\$11,200	\$14,700	15,700	\$15,864

* For years after 2008 the income levels will be indexed for inflation.

Poverty Statistics

The following poverty statistics may be used to assist in the analysis of the PTC statistics:

2009 poverty threshold from the U.S. Census Bureau

<u>Size of family unit</u>	<u>Estimated Threshold</u>
1 person (unrelated individual)	
Under 65 years	\$ 11,161
65 years and over	10,289
2 persons	
Householder under 65 years	14,366
Householder 65 years and over	12,968
3 persons	16,781
4 persons	22,128
5 persons	26,686
6 persons	30,693
7 persons	35,316
8 persons	39,498
9 persons or more	47,514

2009 Dept of Health and Human Services poverty guidelines for the 48 contiguous states and Washington DC

<u>Size of family unit</u>	<u>Threshold</u>
1 person	\$10,830
2 persons	14,570
3 persons	18,310
4 persons	22,050
5 persons	25,790
6 persons	29,530
7 persons	33,270
8 persons	37,010
For each additional person add	3,740