



COLORADO
Department of Revenue
Executive Director's Office

Physical Address:
1881 Pierce Street
Lakewood, CO 80214

Mailing Address:
P.O. Box 17087
Denver, CO 80217-0087

June 21, 2022

Governor Jared Polis
136 State Capitol
Denver, CO 80203

Dear Governor Polis:

Senate Bill 22-233, signed on May 23, 2022, directs the Executive Director of the Department of Revenue to evaluate, and if necessary, in consultation with Legislative Council Staff (LCS) and Office of State Planning and Budgeting (OSPB) adjust the temporary refund amount distributed under the TABOR refund mechanism for FY 2021-22 only. We have completed that evaluation and conclude that the temporary refund amount must be increased.

I am pleased to certify to you that the temporary refund amount for individuals is \$750 and the temporary refund amount for joint filers is \$1,500. At these refund amounts, we estimate that a total of \$2,739,716,956 will be refunded, and we will hold that total in reserve.

LCS and OSPB forecasts anticipate that all four TABOR refund mechanisms under current law will be used:

1. property tax exemption reimbursement (§39-3-209, C.R.S.);
2. temporary income tax rate reduction (§39-22-627, C.R.S.);
3. TABOR refund mechanism for FY 2021-22 only (§39-22-2004, C.R.S.) and
4. sales tax refund (§§39-22-2001 through -2003, C.R.S.).

Using the property tax exemption reimbursement estimate from the LCS June 2022 Forecast, the first mechanism will reduce the surplus revenues by \$161.3 million.

Using the income tax rate reduction estimate from the LCS June 2022 Forecast, the second mechanism will reduce the surplus revenues by \$147.7 million by implementing a 4.5% tax rate for the 2022 income tax year for all income tax filers.

Based on the projected number of individuals who qualify for the TABOR refund mechanism for FY 2021-22 only; a temporary refund amount of \$750 for individuals and \$1,500 for joint filers results in an aggregate temporary refund amount that, together with the amounts projected to be refunded pursuant to sections 39-3-209 and 39-22-627, C.R.S., is approximately equal to 86% of the total excess state revenues.



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After accounting for the first three refund mechanisms, the forecasted remaining \$514.5 million surplus revenue will be refunded through the sales tax refund.

Sincerely,

Mark Ferrandino
Executive Director
Colorado Department of Revenue

CC: Dave Young, State Treasurer, Department of the Treasury
Robert Jaros, State Controller, Department of Personnel and Administration
Lauren Larson, Executive Director, Office of State Planning and Budgeting
Natalie Mullis, Director, Legislative Council Staff