



Demographic Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

SB 25-138: PERMANENT REDUCTIONS TO STATE INCOME TAX

Prime Sponsors:

Sen. Carson

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Demographic note status: The demographic note reflects the introduced bill.

Summary Information

Bill impact. The bill reduces the income tax rate from 4.40 percent to 4.25 percent for tax years 2025 through 2034, and, starting with tax year 2035, eliminates the state income tax. On net, the bill increases disparities in economic outcomes for tax years 2025 through 2027. The bill's long-term impacts on disparities are indeterminant.

Demographics analyzed. The bill is expected to affect disparities in the following sectors:

- Socioeconomic Status
- Race/Ethnicity
- Sex
- Disability
- Geography

Types of impacts. The bill is projected to affect the following areas:

- Economic
-

Pursuant to Section 2-2-322.5, C.R.S., a Demographic Note is prepared by Legislative Council Staff upon request. The note uses available data to outline the potential impacts of proposed legislation on disparities within the state. Disparities are defined by statute as the difference in economic, employment, health, education, or public safety outcomes between the state population as a whole and subgroups of the population, as defined by socioeconomic status, race, ethnicity, sex, gender identity, sexual orientation, disability, geography, or any other relevant characteristic for which data are available. It is beyond the scope of this analysis to examine each of the varied causes contributing to a given disparity. For further information on the contents of Demographic Notes, visit <https://leg.colorado.gov/agencies/legislative-council-staff/demographic-notes>.

Demographic Impact Summary

This demographic note analyzes potential impacts of SB 25-138 on disparities in income based on available data, including by socioeconomic status, race, ethnicity, sex, disability status, and geography.¹ The bill reduces the income tax rate from 4.40 percent to 4.25 percent for tax years 2025 through 2034, and starting with tax year 2035, eliminates the state income tax.

The bill reduces income tax liabilities for all Colorado income taxpayers, and, through at least 2027, reduces TABOR refunds to all Colorado taxpayers who receive TABOR refunds. Higher income earners, who tend to have a higher income tax liability, are more likely to experience after-tax income increases from tax savings under the bill. The bill provides larger tax savings for those with higher incomes, both in absolute amounts and proportionally to income.

For tax years 2025 through 2027, the bill's impact on TABOR refund mechanisms results in higher taxpayer savings for higher income earners and lower savings for lower income earners claiming these refunds than the savings that would result from TABOR refund mechanisms in place under current law, assuming the December 2024 Legislative Council Staff forecast. The bill decreases the after-tax income on net across tax years 2025 through 2027 for the lowest income households claiming these refunds. Individuals who are not required to file income taxes because they have insufficient incomes and those without an income tax liability due to the structure of the federal and state income tax code will be unaffected by the change in income tax liability under the bill, but may be impacted by the changes in TABOR refunds.

Demographic characteristics of Coloradans by income suggest that those most likely to experience lower tax savings, including after-tax income reductions, as a result of the bill are Coloradans who are black or African American, indigenous people of color, or of some other non-white race; Spanish, Hispanic, or Latino; living with a disability; or living in a rural area.² Therefore, the bill's immediate impact is to increase existing economic disparities. The ultimate impact of the bill on economic outcomes will depend on several factors that are unknown at this time, including individual decisions made by taxpayers and businesses, the amount of the TABOR surplus in future years, and budgetary tradeoffs.

Background

Colorado has a single or "flat" income tax rate applied universally across all income brackets. The flat tax rate was initially set at 5 percent for individuals and corporations in 1987, and subsequently reduced to 4.75 percent in 1999, 4.63 percent in 2000, 4.55 percent in 2020, and

¹ Terminology used to distinguish demographic groups (e.g., black/African American, Hispanic or Latina/Latino) is based on the terminology used in the data sources referenced. These terms may differ from the self-identification of these populations.

² The rural population estimated in this analysis includes Coloradans living in the following Public Use Microdata Areas (PUMA) as defined by the U.S. Census Bureau: Central Mountain, El Paso-Teller (excludes Colorado Springs), Foothills, Mid Mountain, Northeast Colorado, Northwest Colorado, Southeast Colorado, Southwest Colorado, Weld Rural, and West Central Colorado.

4.40 percent in 2022. Individual and corporate income tax revenue are the largest sources of General Fund revenue, accounting for about 68 percent of revenue to the General Fund in FY 2023-24, or \$12.8 billion.

Key Provisions

For tax years 2025 through 2034, the bill reduces the state income tax rate from 4.40 percent to 4.25 percent. Starting with tax year 2035, the bill eliminates the state income tax. The rate reduction applies to taxable income earned by both individuals and corporations.

Colorado Taxes Paid and Tax Savings by Family Money Income

Table 1A shows estimates for characteristics of Colorado's taxpayer population. Table 1B shows estimates for taxpayer savings under SB 25-138. Taxpayers are classified by family money income (FMI) for full-year Colorado residents in 2020, the most recent year for which data are available. FMI aims to capture all income available to Colorado households and includes taxable and nontaxable income as well as transfer payments. Negative FMI is associated with self-employment, investment losses, and other losses. See Appendix A for taxpayer characteristics and savings by adjusted gross income and Colorado taxable income.

Reflecting the distribution of FMI, as well as the distribution of taxes paid, taxpayers with a higher FMI will have a higher average savings under SB 25-138. Taxpayers with an FMI of \$200,000 or more will save an estimated average of \$608, while those with an FMI of \$0 to \$15,000 will save an average of \$5 per year. The average taxpayer will save \$102. Those in lower income groups have a lower estimated savings and taxes paid in terms of both the dollar amount and as a share of FMI.

Table 1A
Taxpayer Characteristics by Family Money Income, Tax Year 2020

Family Money Income (FMI)	Taxpayer Population	Average Colorado Taxable Income	Share of Taxpayers	Share of FMI
Negative Income	27,358	-\$123,210	1.1%	N/A
\$0 to \$15,000	309,258	-\$2,342	12.3%	1.0%
\$15,000 to \$29,999	407,092	\$6,429	16.2%	3.8%
\$30,000 to \$39,999	276,067	\$15,491	11.0%	4.0%
\$40,000 to \$49,999	225,608	\$23,159	9.0%	4.2%
\$50,000 to \$69,999	346,092	\$35,268	13.8%	8.5%
\$70,000 to \$99,999	312,423	\$55,327	12.4%	10.8%
\$100,000 to \$149,999	274,193	\$87,854	10.9%	13.8%
\$150,000 to \$199,999	129,356	\$131,344	5.1%	9.2%
\$200,000 and more	207,740	\$403,037	8.3%	44.6%
Total	2,515,187	\$64,536	100.0%	100.0%

Source: Colorado Department of Revenue, Office of Research and Analysis and LCS calculations. Full year residents only.

Table 1B
Estimated Taxes Paid and Taxpayer Savings Under SB 25-138 by Family Money Income*

Family Money Income (FMI)	Average Taxpayer Savings at 0.00%	Average Taxpayer Savings at 0.00% as a Share of FMI	Average Taxpayer Savings at 4.25%	Average Taxpayer Savings at 4.25% as a Share of FMI	Share of Gross Colorado Tax Paid/Taxpayer Savings
Negative Income	\$342	1.9%	\$12	N/A	0.1%
\$0 to \$15,000	\$154	1.7%	\$5	0.07%	0.6%
\$15,000 to \$29,999	\$393	2.2%	\$13	0.06%	2.1%
\$30,000 to \$39,999	\$774	2.5%	\$26	0.08%	2.8%
\$40,000 to \$49,999	\$1,102	2.7%	\$38	0.08%	3.3%
\$50,000 to \$69,999	\$1,609	2.9%	\$55	0.09%	7.4%
\$70,000 to \$99,999	\$2,463	3.2%	\$84	0.10%	10.2%
\$100,000 to \$149,999	\$3,878	3.4%	\$132	0.11%	14.1%
\$150,000 to \$199,999	\$5,787	3.5%	\$197	0.11%	9.9%
\$200,000 and more	\$17,844	3.2%	\$608	0.12%	49.3%
Total	\$2,991	1.9%	\$102	0.11%	100.0%

Source: Colorado Department of Revenue, Office of Research and Analysis and LCS calculations. Full year residents only.

* Estimates based on data for tax year 2020, adjusted for Proposition 121, which lowered the income tax rate to 4.40 percent starting in tax year 2022, but does not account for other tax policy changes enacted in subsequent years.

Taxpayers with No Change in Income Tax Liability under SB 25-138

The data in Tables 1A and 1B do not include those who do not file tax returns because their income is too low. In addition, some households may file taxes, but have no Colorado income tax liability. For example, taxpayers whose federal adjusted gross income in 2020 was less than the federal standard deduction of \$12,400 for single filers and \$24,800 for married couples filing jointly, would be unlikely to have any state income tax liability, and are unlikely to have any income tax savings under the bill. Taxpayers ages 65 and over have an additional standard deduction, ranging from \$1,300 to \$1,650, depending on filing status. As shown in Tables 1A and 1B, average Colorado taxable income is negative for family incomes up to \$15,000. This indicates that many taxpayers in these income brackets had zero income tax liability because their deductions exceeded their federal taxable income.

These two groups of taxpayers—those who do not file returns and those with insufficient taxable income—will generally not be impacted by the reduction in income tax liability due to SB 25-138. They may be impacted by changes in the six-tier sales tax TABOR refund discussed below.

Changes in Corporate Tax Liability under SB 25-138

The demographic characteristics of affected corporations and their shareholders cannot be determined based on available data and because impacts depend on business decisions that are unknown. For example, corporations may pass cost savings on to consumers, but the demographics of those consumers are unknown.

Recent Tax Policy Changes and Income Tax Credit Triggers

Tables 1A and 1B reflect data for tax year 2020, adjusted for Proposition 121, which lowered the state income tax rate to 4.40 percent starting in tax year 2022. The tables are not adjusted for other income tax policy changes due to data limitations. Since 2020, state and federal income taxes have undergone significant changes that will impact the amount of taxes paid. On net, recent federal and state tax policy changes likely eliminated the tax liabilities for many lower-income taxpayers, and reduced the tax liabilities for most but not all taxpayers across the income distribution, reducing the potential savings for these taxpayers under SB 25-138 relative to what the 2020 data may suggest.³

TABOR Refunds and Taxpayer Savings Under the Bill

Under the bill and the December 2024 Legislative Council Staff forecast, the bill is expected to reduce the amount of TABOR refunds to taxpayers, and to impact the mechanisms used to refund the state TABOR surplus in each year from FY 2024-25 through FY 2026-27. TABOR refunds are distributed to taxpayers based on refund mechanisms set in statute. Under current state law, a temporary income tax rate reduction is used to refund the TABOR surplus from tax year 2024 through tax year 2034. For tax years 2025 through 2034, if the permanent income tax rate in effect is 4.25 percent or less, the temporary income tax rate reduction is not triggered unless the TABOR surplus is at least \$2 billion. The TABOR surplus is therefore expected to be refunded via property tax exemptions for seniors, veterans with a disability, and Gold Star Spouses as well as the six-tier sales tax refund mechanism under the bill.

³ The amount and availability of certain state tax credits for taxpayers whose incomes fall below certain thresholds are contingent upon the rate of growth in revenue subject to TABOR. These include an expanded earned income tax credit and a family affordability tax credit. Under the December 2024 LCS revenue forecast, both tax credits are expected to be fully triggered under current law and under SB 25-138.

Tables 2A and 2B show the net impact of SB 25-138 on TABOR refund amounts and taxpayer savings for single and joint filers, respectively, for tax years 2025, 2026, and 2027, the three years for which a forecast is available, relative to the temporary income tax rate reduction and the six-tier refund amounts that are expected under current law. The bill reduces TABOR refunds to all Colorado taxpayers who receive TABOR refunds. Depending on income, some taxpayers will receive income tax savings that offsets the loss in TABOR refunds, while others will not.

For example, under current law a single filer with income greater than \$327,000 is expected to receive total TABOR refunds of \$2,668 across the three tax years, including six-tier sales tax refunds of \$562, and income tax savings from the temporary income tax rate cut of \$2,106. Under the bill, that taxpayer would receive six-tier TABOR refunds of \$379 across the three tax years, as well as average income tax savings from the permanent income tax rate cut of \$3,600, for a combined amount of \$3,979, or a net increase in tax savings of \$1,311.

On net across the three years for which a forecast is available, single taxpayers with incomes above \$54,000 and joint taxpayers with income above \$176,000 are expected to receive on average, income tax savings under the bill that more than offset the reduction in TABOR refunds, such that they experience a net increase in after-tax income. Conversely, single taxpayers with incomes below \$54,000 and joint taxpayers with incomes below \$176,000 will experience a net decrease in after-tax income across the three years.

Table 2A
Current TABOR Refund Amounts and Changes under SB 25-138, Single Filers
Tax Years 2025 through 2027

Adjusted Gross Income in 2025	Share of All Taxpayers by Tier	Current Law Total TABOR Refunds	SB 25-138 Income Tax Savings	SB 25-138 TABOR Refunds	SB 25-138 Combined TABOR Refunds and Income Tax Savings	SB 25-138 Net Change in TABOR Refunds and Income Tax Savings
Up to \$54,000	34.98%	\$211	\$54	\$120	\$174	-\$37
\$54,001 to \$110,000	26.95%	\$366	\$219	\$160	\$379	\$13
\$110,001 to \$176,000	17.43%	\$590	\$540	\$184	\$724	\$134
\$176,001 to \$249,000	9.09%	\$801	\$811	\$219	\$1,030	\$230
\$249,001 to \$327,000	4.35%	\$1,008	\$1,127	\$236	\$1,363	\$355
\$327,001 and up	7.21%	\$2,668	\$3,600	\$379	\$3,979	\$1,311

Table 2B
Current TABOR Refund Amounts and Changes under SB 25-138, Joint Filers
Tax Years 2025 through 2027

Adjusted Gross Income in 2025	Share of All Taxpayers by Tier	Current Law Total TABOR Refund	SB 25-138 Income Tax Savings	SB 25-138 TABOR Refund	SB 25-138 Combined TABOR Refund and Income Tax Savings	SB 25-138 Net Change in TABOR Refund and Income Tax Savings
Up to \$54,000	35.0%	\$373	\$26	\$240	\$266	-\$107
\$54,001 to \$110,000	26.9%	\$557	\$139	\$320	\$459	-\$98
\$110,001 to \$176,000	17.4%	\$775	\$387	\$368	\$755	-\$19
\$176,001 to \$249,000	9.1%	\$1,062	\$700	\$438	\$1,138	\$77
\$249,001 to \$327,000	4.3%	\$1,329	\$1,078	\$472	\$1,550	\$222
\$327,001 and up	7.2%	\$3,118	\$3,409	\$758	\$4,167	\$1,049

Demographic Comparisons

The following analysis presents the demographic considerations raised by the bill and, where data are available, compares the populations affected by the bill to the statewide population across different demographic groups. Pursuant to statute and based on available data on demographic differences between affected and statewide comparison populations, this analysis identifies potential effects of the bill on existing disparities.

Demographics of Coloradans by Income

Colorado income tax return data are insufficient to identify the demographic characteristics of individual taxpayers. The following analysis uses data from the U.S. Census Bureau's American Community Survey (ACS) to show the demographic patterns of Colorado households by income. The data exclude people living in group quarters such as correctional facilities, nursing homes, university dormitories, and military quarters, and includes only the population living in households.

Figure 1 shows the share of the total population and the population within each demographic group that is living in a household with income of \$50,000 or less.⁴

⁴ Comparing the percentage in a particular outcome for a disaggregated subgroup to the percentage for the overall population, which is called the percentage point gap, is one method for measuring disproportionate impact. A gap of at least 3 percent is the generally accepted standard for indicating disproportionate impact for large sample sizes.

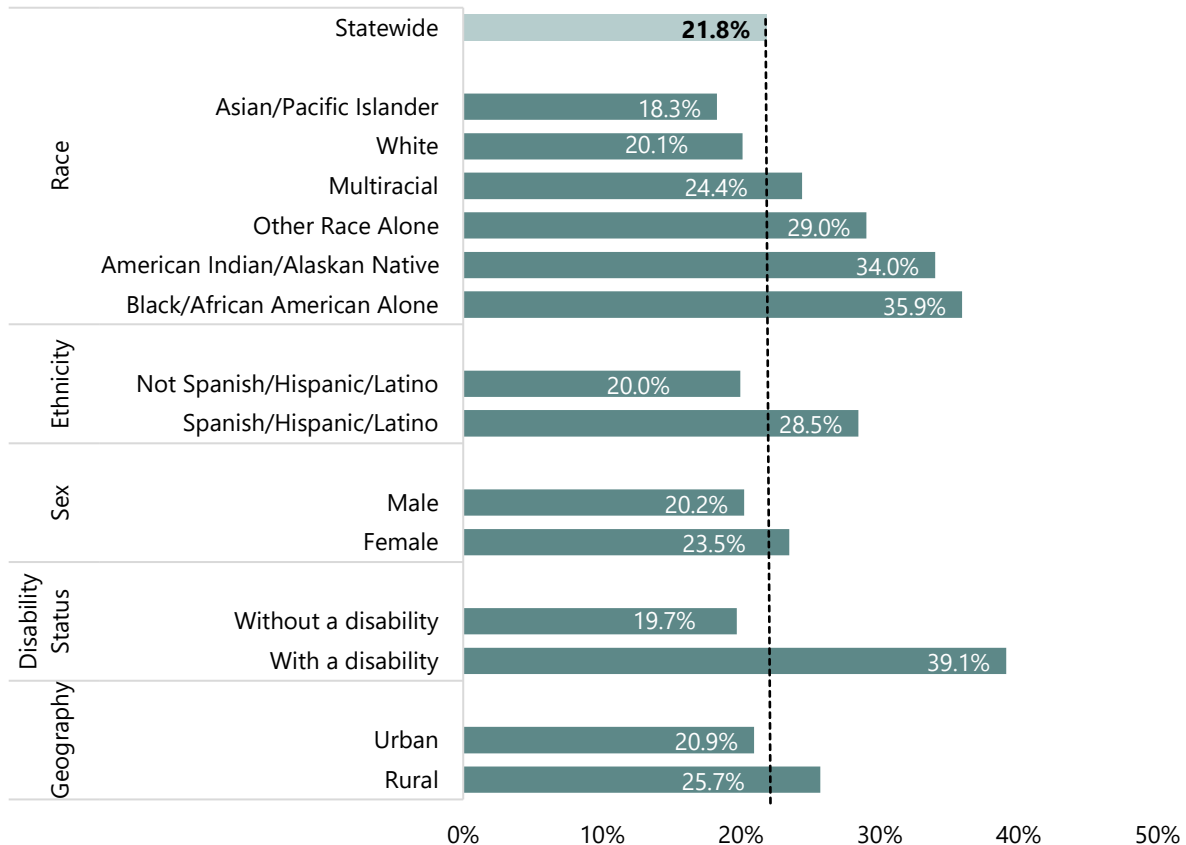
Among all Coloradans, 21.8 percent live in households with incomes of \$50,000 or less, while 23.5 percent of women, and 20.2 percent of men live in such households. Among the demographic groups for which data are available, those who have a substantially greater share of those living in lower income households than the statewide population include those who are:

- black or African American (35.9 percent), American Indian or Alaskan Native (34.0 percent), or of some other non-white race alone (29.0 percent);
- Spanish, Hispanic, or Latino (28.5 percent);
- Living with a disability (39.1 percent); and
- Living in a rural area (25.7 percent).⁵

For more detailed information on the data used, see Appendix B.

⁵ Those who are multiracial, and women, also have a higher share of people living in lower income households, but the percentage point gap, while statistically significant, does not exceed the 3 percent threshold that is the standard to indicate disproportionate impact. Statistical significance was measured by comparing the percentage point gap between the statewide share and each demographic group with the margin of error for the sample at a 95 percent level of confidence, using the unweighted number of survey respondents in each group.

Figure 1
Household Population in Households with Income of \$50,000 or Less
Share by Demographic Group and Statewide



Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2023.

Analysis and Findings

The bill is expected to increase after-tax income for many households that file tax returns and have a Colorado state income tax liability. Many low-income taxpayers without a tax liability will be unaffected by the change in state income tax liability, but may have reduced TABOR refunds. Lower-income taxpayers with a liability may owe more or receive lower refunds relative to current law when the state issues TABOR refunds. Higher income taxpayers are expected to experience higher savings under the bill relative to current law.

Demographic characteristics of Colorado households by income suggest that individuals living in lower-income households are more likely to be black or African American, indigenous people of color, of some other non-white race; Spanish, Hispanic, or Latino; living with a disability; or living in a rural area. Based on the share of lower income households among demographic groups compared to their share in the statewide population, this analysis suggests that the bill will increase existing economic disparities by race, ethnicity, disability status, geography, and

socioeconomic status, as measured by income, which is correlated with other demographic characteristics. The bill's impact on disparities is limited to those filing tax returns. To the extent that the bill alters taxpayer behavior, there may be additional impacts that cannot be known at this time.

Dynamic Impacts

This bill may result in dynamic economic impacts, which may offset the static impacts identified in this demographic note for some populations or may exacerbate the impacts identified. A bill's dynamic impacts include its downstream effects throughout the economy and can take several years to fully materialize. A reduced state income tax rate may stimulate economic activity that generates additional tax revenues and additional incomes for individuals and businesses. For example, a reduction in the state income tax rate results in lower tax liability for affected taxpayers. With higher post-tax income, these individuals may spend more on goods and services, increasing income to certain businesses. Corporations may invest tax savings on research and development or hire more employees. A reduced TABOR refund may have offsetting impacts for lower income taxpayers, who have a higher propensity to spend.

Budgetary Tradeoffs

From the current FY 2024-25 through FY 2033-34, the bill potentially reduces the amount of General Fund available to spend or save in the state budget. The exact reduction, if any, will depend on the state's overall revenue and TABOR refund situation. Starting in FY 2034-35, when the repeal of the income tax takes effect, significant reductions to state spending would be required. For these future years, the bill will reduce money available for the state budget, requiring a reduction in state services which may disproportionately impact certain groups. The impact of these budget tradeoffs cannot be predicted in advance, as they depend on future decisions by the General Assembly. Currently, K-12 education, higher education, and Medicaid are the largest areas of spending from the General Fund.

Demographics Not Analyzed

Some demographic groups have not been included in the analysis due to data limitations. Data on the relevant populations delineated by gender identity and sexual orientation were not available at the time of the analysis. Should data become available, this analysis may be updated.

Data Sources and Agencies Contacted

Revenue	U.S. Census Bureau
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Appendix A

Table A.1: Taxpayer Characteristics by Adjusted Gross Income, Tax Year 2020

Adjusted Gross Income (AGI)	Taxpayer Population	Average Colorado Taxable Income	Share of Taxpayers	Share of AGI
Negative	34,194	-\$112,964	1.4%	
\$0 to \$9,999	220,818	-\$9,082	8.8%	1.1%
\$10,000 to \$19,999	246,129	-\$743	9.8%	2.0%
\$20,000 to \$29,999	264,651	\$7,831	10.5%	2.9%
\$30,000 to \$39,999	262,423	\$16,771	10.4%	3.9%
\$40,000 to \$49,999	223,973	\$25,194	8.9%	4.3%
\$50,000 to \$59,999	182,999	\$33,232	7.3%	4.3%
\$60,000 to \$74,999	214,975	\$42,576	8.5%	6.1%
\$75,000 to \$99,999	252,838	\$57,890	10.1%	9.2%
\$100,000 to \$199,999	420,866	\$103,254	16.7%	24.9%
\$200,000 to \$499,999	156,281	\$243,509	6.2%	19.8%
\$500,000 to \$999,999	23,599	\$603,912	0.9%	7.0%
\$1,000,000 and over	11,441	\$2,676,384	0.5%	14.6%
Total	2,515,187	\$64,536	100.0%	100.0%

Table A.2
Estimated Taxes Paid and Taxpayer Savings Under SB 25-128 by Adjusted Gross Income*

Adjusted Gross Income (AGI)	Average Taxpayer Savings at 0.00%	Average Taxpayers Savings at 0.00% as a Share of AGI	Average Taxpayer Savings at 4.25%	Average Taxpayer Savings at 4.25% as a Share of AGI	Share of Gross Colorado Tax Paid/Taxpayer Savings
Negative	\$146		\$5		0.1%
\$0 to \$9,999	\$12	0.1%	\$0	0.00%	0.0%
\$10,000 to \$19,999	\$116	0.6%	\$4	0.02%	0.4%
\$20,000 to \$29,999	\$428	1.6%	\$15	0.05%	1.5%
\$30,000 to \$39,999	\$790	2.2%	\$27	0.08%	2.8%
\$40,000 to \$49,999	\$1,145	2.5%	\$39	0.09%	3.4%
\$50,000 to \$59,999	\$1,490	2.7%	\$51	0.09%	3.6%
\$60,000 to \$74,999	\$1,892	2.8%	\$64	0.09%	5.4%
\$75,000 to \$99,999	\$2,558	2.9%	\$87	0.10%	8.6%
\$100,000 to \$199,999	\$4,549	3.2%	\$155	0.11%	25.4%
\$200,000 to \$499,999	\$10,718	3.5%	\$365	0.12%	22.3%
\$500,000 to \$999,999	\$26,581	3.7%	\$906	0.13%	8.3%
\$1,000,000 and over	\$119,529	3.9%	\$4,075	0.13%	18.2%
Total	\$2,991	3.2%	\$102	0.11%	100.0%

Source: Colorado Department of Revenue, Office of Research and Analysis and LCS calculations. Full year residents only.

* Estimates based on data for tax year 2020, adjusted for Proposition 121, which lowered the income tax rate to 4.40 percent starting in tax year 2022, but does not account for other tax policy changes enacted in subsequent years.

Table A.3: Taxpayer Characteristics by Colorado Taxable Income, Tax Year 2020

Family Money Income (FMI)	Taxpayer Population	Average Colorado Taxable Income	Share of Taxpayers	Share of FMI
Negative Income	423,852	-\$20,477	16.9%	N/A
\$0 to \$15,000	294,779	\$4,652	11.7%	3.1%
\$15,000 to \$29,999	141,936	\$12,502	5.6%	1.9%
\$30,000 to \$39,999	279,613	\$19,931	11.1%	4.7%
\$40,000 to \$49,999	125,412	\$27,458	5.0%	2.6%
\$50,000 to \$69,999	215,411	\$34,819	8.6%	5.2%
\$70,000 to \$99,999	169,004	\$44,785	6.7%	5.0%
\$100,000 to \$149,999	458,329	\$70,871	18.2%	19.6%
\$150,000 to \$199,999	313,171	\$149,259	12.5%	25.9%
\$200,000 and more	93,680	\$688,968	3.7%	31.9%
Total	2,515,187	\$64,536	100.0%	100.0%

Table A.4
Estimated Taxes Paid and Taxpayer Savings Under SB 25-128 by Colorado Taxable Income

Colorado Taxable Income (CTI)	Average Taxpayer Savings at 0.00%	Average Taxpayers Savings at 0.00% as a Share of CTI	Average Taxpayer Savings at 4.25%	Average Taxpayer Savings at 4.25% as a Share of CTI	Share of Gross Colorado Tax Paid/Taxpayer Savings
Negative Income	\$0	0.0%	\$0	\$0	0.0%
\$0 to \$15,000	205	0.8%	\$7	0.03%	0.8%
\$15,000 to \$29,999	550	1.7%	\$19	0.06%	1.0%
\$30,000 to \$39,999	877	2.2%	\$30	0.08%	3.3%
\$40,000 to \$49,999	1,208	2.6%	\$41	0.09%	2.0%
\$50,000 to \$69,999	1,532	2.7%	\$52	0.09%	4.4%
\$70,000 to \$99,999	1,971	2.9%	\$67	0.10%	4.4%
\$100,000 to \$149,999	3,118	3.2%	\$106	0.11%	19.0%
\$150,000 to \$199,999	6,567	3.4%	\$224	0.12%	27.3%
\$200,000 and more	30,315	3.9%	\$1,033	0.13%	37.7%
Total	\$2,991	3.2%	\$102	0.11%	100.0%

Source: Colorado Department of Revenue, Office of Research and Analysis and LCS calculations. Full year residents only.

* Estimates based on data for tax year 2020, adjusted for Proposition 121, which lowered the income tax rate to 4.40 percent starting in tax year 2022, but does not account for other tax policy changes enacted in subsequent years.

Appendix B

Table B.1: Demographic Profiles by Race

Race	Statewide		Households with Income of \$50,000 or Less		Disparity Ratio
	Population	Percent	Population	Percent	
White	4,183,069	73.5%	841,739	67.7%	0.92
Black/African American	221,710	3.9%	79,685	6.4%	1.65
American Indian/Alaskan Native	56,039	1.0%	19,048	1.5%	1.56
Asian/Pacific Islander	191,474	3.4%	35,000	2.8%	0.84
Other Race	311,902	5.5%	90,606	7.3%	1.33
Multiracial	723,725	12.7%	176,655	14.2%	1.12

Table B.2: Demographic Profiles by Ethnicity

Ethnicity	Statewide		Households with Income of \$50,000 or Less		Disparity Ratio
	Population	Percent	Population	Percent	
Not Spanish/Hispanic/Latino	4,421,171	75.7%	882,179	71.0%	0.94
Spanish/Hispanic/Latino	1,266,748	22.3%	360,554	29.0%	1.30

Table B.3: Demographic Profiles by Sex

Ethnicity	Statewide		Households with Income of \$50,000 or Less		Disparity Ratio
	Population	Percent	Population	Percent	
Male	2,862,848	50.3%	579,258	46.6%	0.93
Female	2,825,071	49.7%	663,475	53.4%	1.07

Table B.4: Demographic Profiles by Disability

Ethnicity	Statewide		Households with Income of \$50,000 or Less		Disparity Ratio
	Population	Percent	Population	Percent	
With a Disability	625,353	11.0%	244,612	19.7%	1.79
Without a Disability	5,062,566	89.0%	998,121	80.3%	0.90

Table B.5: Demographic Profiles by Geography

Ethnicity	Statewide		Households with Income of \$50,000 or Less		Disparity Ratio
	Population	Percent	Population	Percent	
Rural	1,071,894	18.8%	275,742	22.2%	1.18
Urban	4,616,025	81.2%	966,991	77.8%	0.96

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2023.