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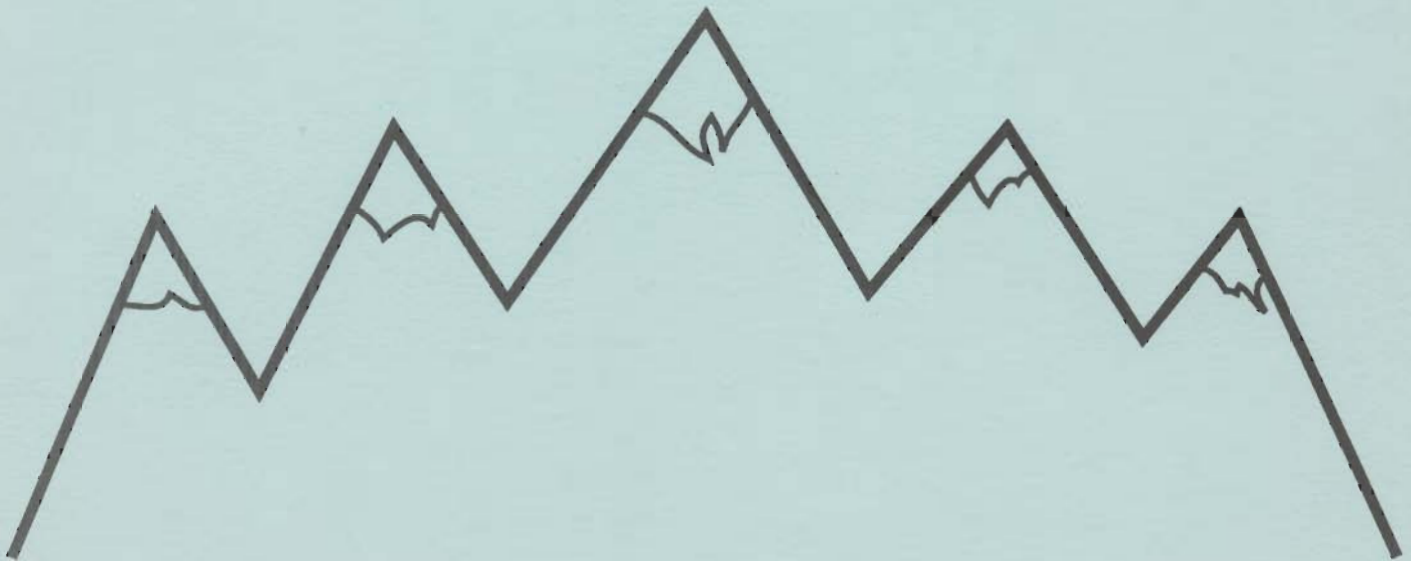
0348 Colorado Statistics of Income: Individual and Corporate Income Tax Returns Filed

COLORADO STATISTICS OF INCOME

Individual Income Tax Returns Filed in 1988

Corporate Income Tax Returns Filed in Fiscal Year
1987/88

Prepared by
Office of Tax Analysis,
Colorado Department of Revenue
Denver, Colorado



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Individual Income Tax Returns Filed in 1988

Corporate Income Tax Returns Filed in Fiscal Year 1987/88

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**Colorado Legislative Council Publication No. 348
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Introduction

Since 1972, the Colorado Legislature has commissioned studies which report on the income tax structure of our state. This publication combines for the first time the individual and corporate income tax reports.

The individual income tax report is based on a stratified random sample of slightly more than 3,000 full year resident income tax returns from a universe of 1.3 million returns filed for tax year 1987 during 1988. Because the Colorado tax return is limited in the scope of its information, the taxpayer was contacted by mail and asked to submit a copy of the federal income tax return. Return data for non-respondents was obtained by using the information provided by the IRS in the latter's annual extract of Colorado taxpayers.

The smaller sample size this year does not allow publication of local area data for counties and cities. The sampling error was potentially too large and accurate information could not be provided.

Federal and state tax reform has had a large impact on Colorado individual income tax liability. A lengthy discussion of these impacts will be found in this year's report.

The second section of this report focuses on the corporate income tax. Findings in this section are based on approximately 8,000 returns filed during fiscal year 1987-88. A longer-term focus on historical data is made within this section.

As in past years, detailed tables for both individual and corporate taxpayers may be found as appendices.

These reports are intended primarily for the Colorado Legislature but are also of use to economists, researchers, demographers, and planners. Inquiries regarding this publication should be directed to the Office of Tax Analysis in the Colorado Department of Revenue.

Section I. Individual Statistics of Income

Recent Income and Tax Trends

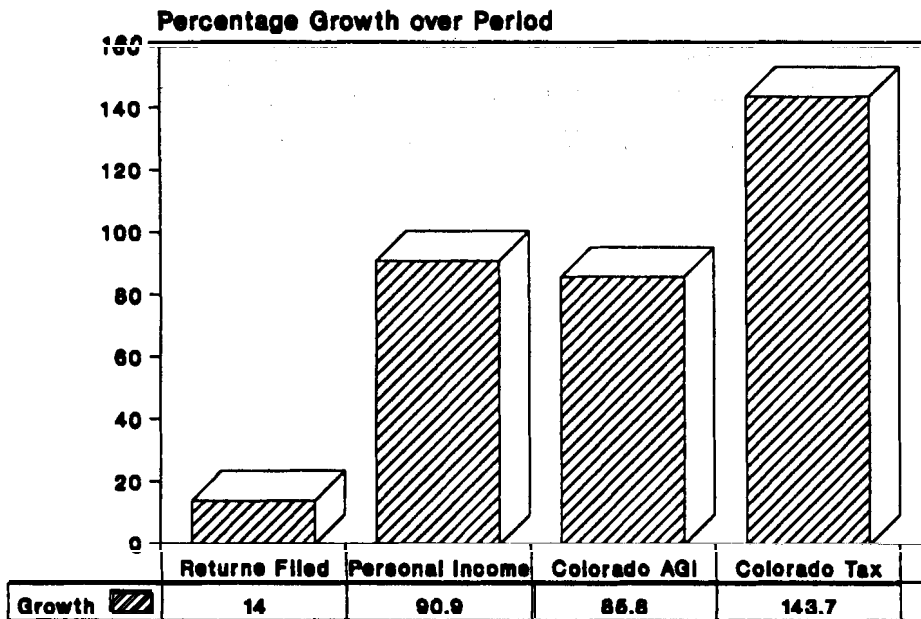
A historical perspective on Colorado income, adjustments and modifications to income, deductions, and tax liability is presented in this section.

Colorado adjusted gross Income (CAGI) has been a concept appearing on the state income tax return since at least 1949. Tax reform in 1987 had the impact of removing CAGI from the state tax return. However, for purposes of this study, it is still defined as federal adjusted gross income (FAGI) less any statutory Colorado modifications to FAGI.

"Tax liability has grown 58 percent faster than personal income during the 1979-1987 period."

Figure I-A shows the growth rates of the number of individual income tax returns filed, personal income, CAGI, and Colorado income tax since 1979. As the graph depicts, the growth in the population of returns (14 percent) over that time period has been far outstripped by gains in income and tax liability.

Figure I-A. Returns, Income, and Tax Growth 1979 - 1987



Tax liability has grown 58% faster than personal income during the 1979-1987 period. Although one can expect higher rates of growth (given higher effective rates of tax as income grows over time), the historical perspective is shaped by contrasting end points for this time period. In 1979, the Colorado economy was in an upswing when very healthy growth in the economy and consequently,

state tax revenues, enabled the state legislature to cut income taxes through tax credits, the introduction of tax indexing, and other tax reduction measures. Over the period from 1983 to 1986, the state economy suffered the effects from the collapse of the energy sector. Continuing state financial needs forced an increase in state income taxes for the second time in four years. The second increase was tied to the historic federal Tax Reform Act of 1986 with its many base-broadening provisions and the consequent state tax reform which simplified state income tax preparation and also increased tax liability.

The impact of the latter years of this period is clearly indicated by the fact that state income taxes have grown 91.6% faster than personal income during the 1984-1987 period. Also contributing to this is the fact that the state has relied more heavily on changes in individual income tax policy to raise revenues during this time. Income tax revenues were 54.7% of net general fund revenues in fiscal year 1987-88 compared to 46.2% in fiscal year 1983-84. Sales tax revenues, the other main contributor to the general fund, actually declined in two of the years during this period.

Table I-A. Major Sources of Income

	<u>Number of Returns Reporting</u>	<u>Percent of Returns</u>	<u>Amount (millions)</u>	<u>Percentage Distribution</u>	<u>Percentage Change from 1986</u>
Wages and Salaries	1,122,422	86.1	\$26,870.8	77.6	1.6
Net Property Income	959,572	73.6	\$5,756.7	16.6	5.4
Positive	867,778	66.6	\$6,608.4	19.1	-3.1
Negative	91,794	7.0	\$851.7	-2.6	-37.3
Net Business Income	200,721	15.4	\$1,461.2	4.2	8.6
Positive	161,443	12.4	\$1,596.8	4.6	-15.0
Negative	39,278	3.0	\$135.6	-0.4	-74.6
Net Farm Income	25,341	1.9	\$19.6	0.1	-115.7
Positive	13,817	1.1	\$127.9	0.4	-0.6
Negative	11,524	0.8	\$108.3	-0.3	-57.3
Other Income	<u>584,652</u>	<u>44.8</u>	<u>\$535.8</u>	<u>1.5</u>	<u>1,222.0</u>
Total Income	1,303,697	100.0	\$34,644.1	100.0	4.4

Table I-A shows the major sources of income on 1987 tax returns. The number of returns filed by full year residents declined by nearly 29,000 from the previous totals reported for 1986. The poor economy in Colorado during the 1986 and 1987 caused net migration losses. Non-agricultural employment increased by only 4,500 jobs in 1987. Another factor, although not quantifiable, is the increase in the standard deduction and personal exemption values which have raised the threshold level for filing income taxes in Colorado. Many taxpayers have changed from taxable to non-taxable status and may not have filed a tax return for 1987.

As the table indicates, aggregate wage and salary income increased only 1.6 percent from the previous year. This was the smallest gain reported within the past 6 years. The average state wage

and salary increased only 0.3 percent.

Net property income consists of interest and dividends, taxable capital gains, rents, royalties, partnership income, and pensions and annuities. Growth in this income component of 5.4 percent was led by a healthy increase in reported dividend income due to a tax law change repealing deductibility of the first \$100 of dividend income.

Net business income increased 8.6 percent led by a substantial reduction in the amount of business losses reported from \$552.8 million to \$135.6 million. Positive business income reported was down from \$1.878 billion to \$1.597 billion.

Net farm income, reported as \$19.6 million, was a positive amount for the first time in at least the past 5 years. This income component also experienced a sharp reduction in the amount of losses reported.

Total income increased 4.4 percent over the prior reported period.

Substantial tax law changes to federal adjustments had a pronounced effect on total income in 1987. IRA contribution amounts allowed as a deduction were reduced based upon the level of the taxpayer's income. This deduction declined by over 60 percent from the prior year to \$192 million in 1987. The deduction for two earner households was repealed. As a result, total federal adjustments declined to \$363 million from \$1.28 billion in the prior period.

Federal AGI is total income less federal adjustments. It amounted to \$34.2 billion, an increase of 7.2 percent from the prior year.

Colorado modifications consist of additions to or subtractions from FAGI as specified by Colorado law. In spite of the repeal of three large subtractions (partial interest and dividend modifications and child care expense) in the Colorado tax law reform of 1987, Colorado modifications increased to \$1.55 billion from \$1.49 billion. The amount of the two earner deduction, a modification increasing Colorado AGI similarly repealed, was more than the three subtractions.

Colorado AGI is the residual of subtracting Colorado modifications from federal AGI. This key income concept grew 6.1 percent to \$33.3 billion in 1987. Colorado AGI is used as the income classification means in the detailed statistical tables in Appendix 1.

Colorado deductions have been modified substantially beginning in 1987. Colorado tax law had used FAGI as its starting point for determining Colorado taxable income for many years and continues to do so. Prior to 1987, state tax law had specified the levels of the standard deduction and personal exemptions. Itemized deductions under prior Colorado law were equal to federal itemized deductions less the deduction for state income taxes. Each of these state deductions is now equal to their federal counterpart. The federal tax deduction allowed in previous years has been repealed.

The value of the Colorado standard deduction on 1987 returns was \$2.207 billion; the value of personal exemptions claimed on Colorado returns was \$5.091 billion; itemized deductions subtracted from Colorado AGI totaled \$6.221 billion. The standard deduction and personal exemption values deducted from CAGI were up substantially from the prior year as Colorado conformed to federal amounts. Itemized deductions were down 2.6 percent from the prior year as federal tax law repealed or restricted the use of medical expenses, sales taxes, consumer interest expenses, and certain miscellaneous itemized deductions. However, Colorado taxpayers are now allowed to take advantage of the state income tax as an itemized deduction. This large deduction, \$929 million, moderated the decline in the amount of itemized deductions claimed. The percentage of taxpayers using itemized

deductions declined from 52% to 44.9% as the standard deduction became more advantageous to some taxpayers due to the restricted use of itemized deductions and higher value of the standard deduction relative to prior Colorado values of this deduction. The downward trend in the number of taxpayers using itemized deductions is expected to continue as the federal standard deduction value was substantially increased in 1988, particularly for married taxpayers. Total deductions from Colorado AGI were \$13.5 billion in 1987 compared to \$15.5 billion for the prior reporting period. Federal taxes paid by full-year residents in 1987, but not allowed as a deduction for that year, were \$4.3 billion. In 1986, the federal tax deduction was \$4.5 billion.

Colorado taxable income for full year resident taxpayers in 1987 was \$20.8 billion, an increase of 24.2 percent from the prior year. The large increase is a function of expanding the definition of income subject to tax (repeal of the long term capital gains exclusion, limitation of passive losses, and others) and the restriction of the modifications and deductions from federal AGI (repeal of the child care modification, federal tax deduction, restriction of certain itemized deductions and others).

Colorado tax is determined by applying the statutory tax rates to Colorado taxable income. The state tax reform of 1987 applies a single tax rate of 5 percent. Tax before credits amounted to \$1.041 billion, an increase of 11.4 percent from the prior year. Tax credits reduced tax liability to a net amount of \$1.024 billion.

The Impacts of Tax Reform

Mention of tax reform has been made several times in this report. In 1986, the U.S. Congress passed the Tax Reform Act of 1986. Colorado, since 1963, has generally followed changes in federal tax code. Historically, federal changes in definitions of income or deductions resulted in the state automatically adopting those provisions unless acting specifically otherwise. Consequently, Colorado would experience automatic tax increases or decreases. (Prior federal changes have not had much attention. Good examples of these were the adoption of IRA deductions and more liberal depreciation rules in the early eighties which together decreased Colorado income taxes more than \$20 million annually).

The 1986 federal tax law changes greatly expanded the Colorado tax base. Had Colorado not changed its tax laws, the state would have experienced a 'windfall' of more than \$200 million annually. HB 1331, enacted by the Colorado legislature in the 1987 session, simplified the filing of the Colorado tax return and returned a portion of the windfall.

The estimates of impacts were made by simulating prior federal and state tax law upon each of more than 3,000 income tax returns within the stratified random sample. When the original estimates of the impact of tax law changes were made at the passage of the federal reform and during the discussion of how Colorado would react to the changes, there were many assumptions as to taxpayer behavior. The 1987 data base incorporates the actual behavioral changes. For example, an assumption was made for how taxpayers would respond to changes in the taxation of capital gains. The forthcoming increased taxability of capital gains caused a large sell-off of assets in the closing months of 1986. One could only guess how much this sell-off "borrowed" from the future and affected taxpayer behavior. However, these impacts are now included by definition within the tax data analyzed.

Several of the tax law changes have been alluded to earlier in this report. Each of them will not

be itemized here. The remainder of this section will discuss the overall tax impacts.

"This analysis estimates the increased revenues at \$105.8 million . . ."

The last analysis¹ of these changes estimated the impact of the tax law changes at \$76.8 million for the 1987 tax year. This analysis estimates the increased revenues at \$105.8 million for all taxpayers. Why is the increase substantially larger? First, actual job and personal income growth were larger than the forecasts used in estimating the lower amount of revenue increase. Second, actual taxpayer behavior was different than the assumptions used in making the original estimate. For example, the original analysis of the provision limiting usage of an IRA deduction indicated that an \$11 million revenue gain would occur from this provision alone. Subsequent analysis indicates that an estimated additional \$22 million is being realized by the state. This may be the result of taxpayers not taking this deduction even though they continue to fully or partially qualify for the deduction.

Table I-B shows the amounts of estimated pre-reform tax liability and actual tax liability after reform and the percentage of Colorado AGI paid as income tax for each case. Aggregate taxes paid by taxpayer groups with incomes smaller than \$15,000 have declined while all other income groups show increased amounts of taxes paid. Progressivity means that the percentage of income paid as taxes increases as income increases. Despite the single rate of tax in Colorado, we still have a progressive income tax. The last column of Table I-B indicates that this average increases from 0.73 percent for the lowest group shown to 3.99 percent for the highest group.

Figure I-B also clearly shows that the burden of income taxes shifted to those with higher incomes. The graph displays the percentage of total income tax paid by each income group. The share has declined or stayed the same for all but the last two income groups (over \$50,000 of

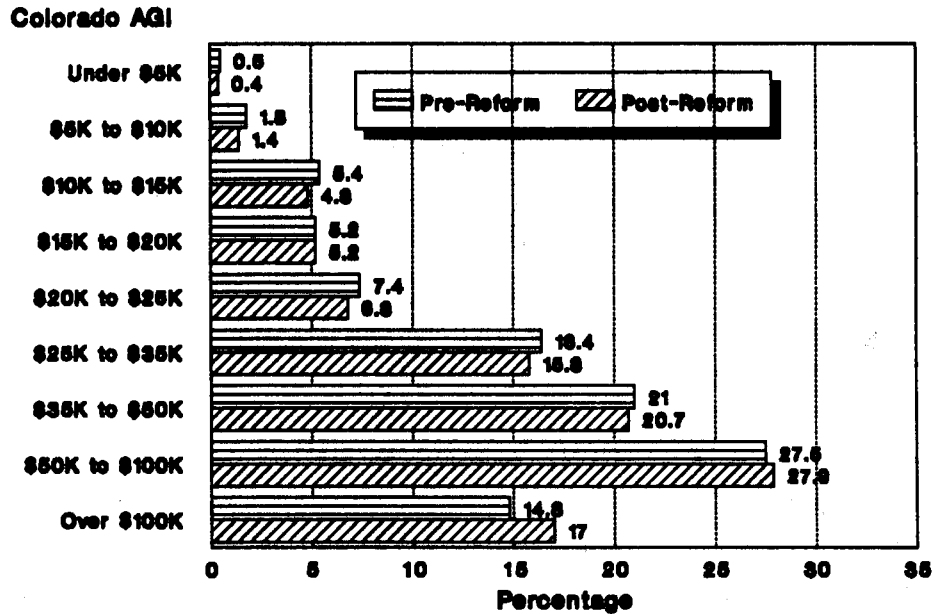
**Table I-B. Tax Paid Pre- and Post-Reform
with Tax as Percent of Colorado AGI
Full Year Resident Returns**

Colorado AGI Class	Pre-Reform Estimated Tax	Post-Reform Actual Tax	Post-Reform Tax as Percent of AGI
Less than \$5,000	\$5,037	\$4,544	0.73
\$5,000 - \$10,000	16,865	14,763	1.40
\$10,000 - \$15,000	50,342	50,220	2.18
\$15,000 - \$20,000	49,035	54,103	2.63
\$20,000 - \$25,000	69,288	70,363	3.05
\$25,000 - \$35,000	153,818	164,176	3.00
\$35,000 - \$50,000	197,946	215,113	3.22
\$50,000 - \$100,000	258,688	290,437	3.49
More than \$100,000	<u>139,563</u>	<u>177,498</u>	<u>3.99</u>
Total	\$940.583	\$1,041.217	3.13

¹ Colorado Statistics of Income, Individual Income Tax Returns Filed in Fiscal Year 1986/87, pp. 16-19, Colorado Department of Revenue, Office of Tax Analysis, January 1988.

Colorado AGI.) Taxpayers with Colorado AGI larger than \$100,000 now pay 17 percent of total Colorado income tax compared to an estimated 14.8 percent under the old income tax laws. What has caused this? The tax base expansion at the federal level particularly affected high income taxpayers. Additionally, the removal of the federal income tax deduction has a larger impact on high income taxpayers. The graduated federal rates increased the relative value of this deduction for these taxpayers.

Figure I-B. Percentage Share of Income Tax Paid by Colorado AGI Class



A further indication of the changes brought about by tax reform is a comparison of those who paid greater taxes versus those who paid less. An estimated 58 percent of Colorado's taxpayers are paying higher taxes while 32.4 percent are paying lower taxes. The remaining 9.6 percent, mostly those with no tax liability in either case, are paying the same level of taxes.

Is Colorado's tax structure more equitable? The concept of vertical equity would dictate that those with different incomes should pay different levels of taxes following a pattern which is consistent with the accepted goals of equity². It has been discussed already that the percentage of CAGI paid by the upper income groups increased and that they pay a larger proportion of the total state income tax. Households with lower incomes generally pay less taxes as the threshold for the imposition of state taxes rose with the increase in standard deduction and personal exemption amounts.

Horizontal equity means that taxpayers with **equal incomes** would pay **equal amounts of tax**.

² John F. Due and Ann F. Friedlaender, Government Finance, (Homewood, Illinois: Richard D. Irwin, Inc., 1981), p. 255.

Data published by the IRS³ indicates that there is more equity today at the federal tax level than prior to tax reform. Because Colorado adopted all features of federal tax reform and a single rate of tax in its own tax reform, one may reasonably conclude that more horizontal equity exists in our state tax structure as well.

In addition to increases in revenue and the simplification of the Colorado tax return, the state tax reform had a great influence on the long-run capacity of the state to raise income tax revenues. Earlier comments were made on the higher comparative rates of growth for Colorado income tax liability than Colorado income (see page 4). By conforming to the automatically indexed federal standard deduction and personal exemption amounts and adopting a single rate of tax, income tax revenues will grow at a slower rate than their historical rate and projected rates under prior law, all other factors equal. A study by Price Waterhouse⁴, a large national accounting firm with state revenue forecasting capability, estimates that in a scenario of 4.9 percent inflation and 2.1 percent real growth, Colorado taxes will grow 13 percent faster than income. Although the estimated growth rate under prior law with the same economic assumptions is not given, it is stated that the tax elasticity of tax with respect to income will be smaller. Simulations with this database reach the same conclusion.

Although Colorado was the nation's leader in adopting indexing in 1978, it had suspended its use during the 1983-1986 period due to budgetary considerations. Colorado's tax laws at the time gave the state legislature the authority to suspend indexing. However, because the state is now tied automatically to federal taxable income and its' automatic indexing, the state has given up some degree of control in raising revenue. Colorado is often criticized that its revenues are increasing too fast and are out of control. It may now respond that the unintended tax increases caused by movements through progressive tax brackets and declining relative worth of exemption and standard deduction values are eliminated with the use of a single tax rate and automatic indexation at the federal level. In fact, the value of the exemptions and standard deductions are worth relatively more in Colorado as recent consumer price index increases as measured in the Denver-Boulder area are less than those at the national level.

"To the extent that personal income taxes influence location decisions, Colorado appears to have added an important factor in its favor . . ."

Colorado's single tax rate of 5 percent is lower than the top marginal tax rate of all but five states (as compared to 21 prior to tax reform) imposing income taxes. To the extent that personal income taxes influence location decisions, Colorado appears to have added an important factor in its favor in the economic development competition among the states. It should be noted that tax reform enabled many states to lower their top rates.

By linking more closely to federal tax structure and adopting fewer Colorado modifications with

³ Data from 1986, 1987 and 1988 Individual Tax Returns: What Do They Tell us about Changes in Vertical and Horizontal Equity?, Ken Beier, Research Division, Internal Revenue Service, IRS Research Conference, Washington, D.C., November, 1989.

⁴ The Responsiveness of State Personal Income Taxes to Economic Growth after Tax Reform, Price Waterhouse for the National Association of State Budget Officers, August, 1989.

a single state income tax rate and the Department of Revenue's adoption of a much simpler tax form, Colorado will perhaps experience fewer future changes in the state tax code. Subsequent legislative sessions seem to have proved this point. Prevalent opinion seems to be of the 'If it isn't broken, don't fix it' attitude. The increase in equity and simplicity brought by the federal and state reforms certainly enhanced the goals of income tax systems as envisioned by public finance experts. The only potential drawback of the state tax reform is for future revenue adequacy. However, this goal is tempered by the electorate's wish to keep the taxes within control.

Detailed Tables

Appendix A has 15 tables showing distributions by Colorado adjusted gross income for several key items on the individual income tax return including marital and filing status and sources of income and deductions. These tables continue the long published series of statistical data. The interested reader may consult prior individual Statistics of Income reports for historical reference.

Section II. Corporate Statistics of Income

Introduction

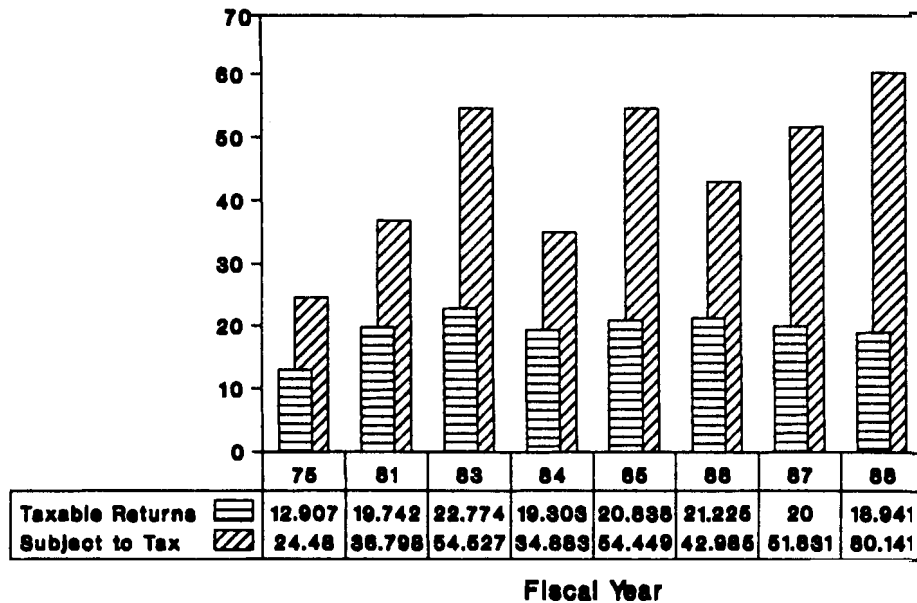
Section II of the Colorado Statistics of Income report focuses on corporate income tax returns processed during the state fiscal year 1987-88. A sample selected by size of Colorado income tax constitutes the basis for the statistics reported here. Data classified by taxable income, size of tax, domicile, and scope of market may be found in this section and Appendix B.

Number of Returns

95,861 returns were filed during fiscal year 1987-88. Of these, 35,720 were not subject to tax. Sub-chapter S corporations which elect to be taxed through the shareholders constitute the majority (32,720) of the corporations not subject to tax. Corporations which are subject to tax are the focus of this report. The Department of Revenue processed 60,141 returns in this category. Nearly 19,000 corporations had a tax liability on returns filed during this period. Figure II-A shows the historical trend since FY 1982-83 of corporations subject to tax and with a tax liability.

**Figure II-A. Colorado Corporation
Income Tax Returns**

Thousands of Returns



As may be seen in Figure II-A, the number of firms with a tax liability is much more stable than the trend for firms subject to tax. The latter trend may be considered an anomaly as processing of returns is prioritized based on the type of return in the Department of Revenue. Processing of non-taxable returns without a refund is deferred in favor of returns with refunds or a balance due.

Although the report focuses on income tax returns processed during the fiscal year 1987-88, the accounting periods occurred much earlier for many firms. Table II-A shows that 37.4 percent of the

firms with 54.1 percent of the liability recorded during the fiscal year had accounting periods ending on or before December, 1986. The larger corporations, in particular, apply for the maximum 6 month extension and do not file a calendar year return until October of the following year.

**Table II-A. Ending Month of Accounting Periods
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1988**

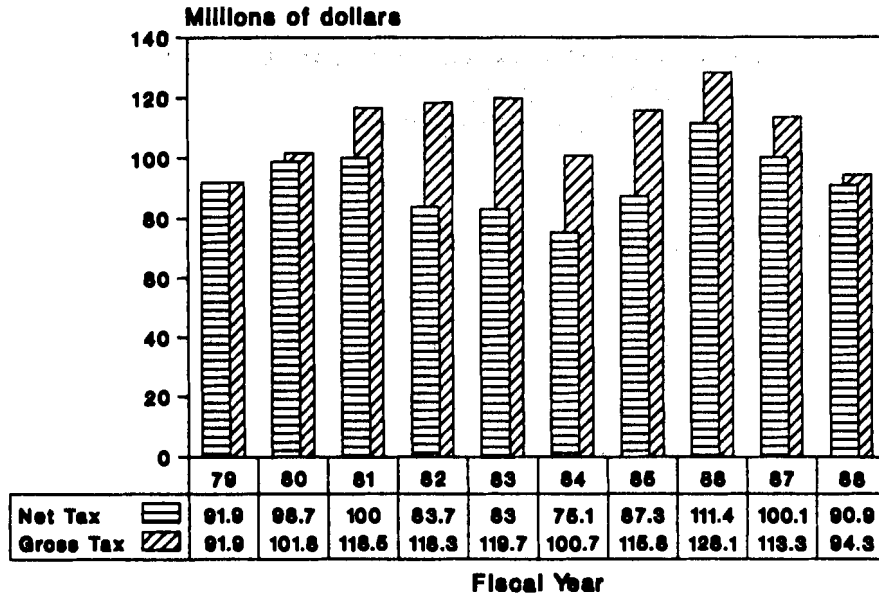
<u>Ending Month of Accounting Period</u>	<u>Number</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Before December 1986	7,388	12.3	\$6,849	7.3
December	15,083	25.1	44,163	46.8
January 1987	1,794	3.0	6,508	6.9
February	1,270	2.1	894	0.9
March	3,427	5.7	2,882	3.1
April	1,887	3.1	2,920	3.1
May	1,856	3.1	2,828	3.0
June	5,266	8.8	5,835	6.2
July	1,211	2.0	1,980	2.1
August	1,436	2.4	1,632	1.7
September	3,415	5.7	5,105	5.4
October	1,887	3.1	1,875	2.0
November	1,203	2.0	954	0.1
December	10,733	17.8	7,930	8.4
January 1988 and later	<u>2,287</u>	<u>3.8</u>	<u>1,978</u>	<u>2.1</u>
Total	60,143	100.0	\$94,333	100.0

Corporate Income Tax Trends

Figure II-B on the next page shows the amounts of gross tax and net tax liabilities reported on corporate income tax returns since fiscal year 1979. The recorded liability in FY 1987-88 of \$94.3 million marks the lowest point since fiscal year 1979. The decline in corporate income tax revenues mirrored, in part, the poor economic picture in Colorado in 1985 and 1986. Also impacting the decline in tax liability was the passage of HB 1010 during the 1985 legislative session. Effective with the 1986 tax year, the Department of Revenue is now constrained in requiring corporations to combine income (the so-called 'unitary' method) from the corporation's world-wide business operations. The shift to a "water's edge" basis for reporting corporate income has had a substantial impact on reported liabilities.

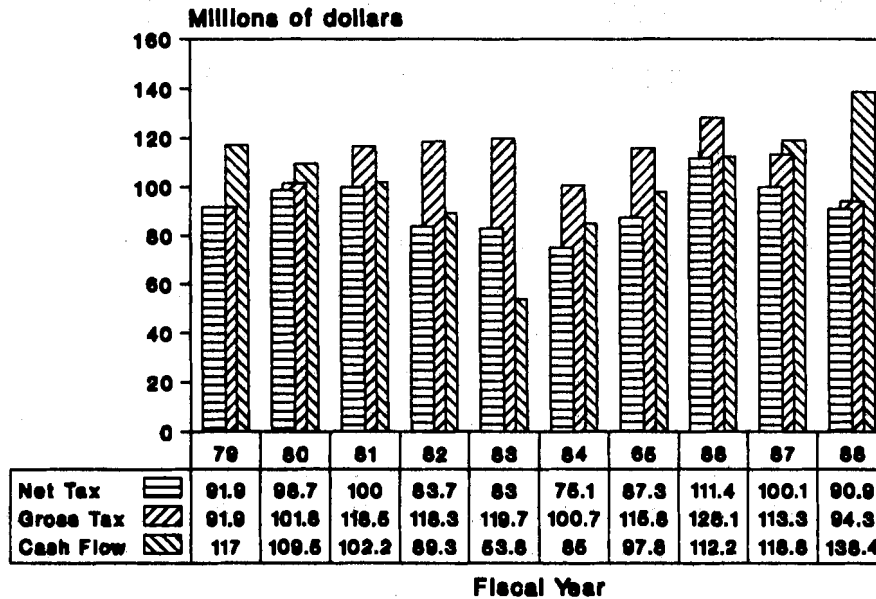
Figure II-C on the next page shows net corporate income cash collections imposed on the net tax liability time series from Figure II-B. Net collections during fiscal year 1988 show the high point of the last 10 years. Why the extreme difference between liability and collections in FY 1987-88? The tax return on which final liability is recorded may be filed nearly 10 months after the close of the business's accounting tax period. The taxpayer will already have made several estimated payments during the tax period reflecting that liability and will be making a cash settlement or filing for a refund

**Figure II-B. Colorado Corporation
Income Tax Liability**



with the filing of the tax return. The liability data does not reflect penalty and interest recorded in the cash collections. Penalty and interest accounted for \$6.9 million in fiscal year 1988.

**Figure II-C. Colorado Corporation
Income Tax Liability and Cash Flow**



Of perhaps greater importance to this analysis is the impact of tax law changes. The majority of returns filed during fiscal year 1988 reflect the 1986 tax year. A 5 percent tax rate was in effect for taxpayers with accounting years beginning before July 1, 1986. Higher tax rates went into effect on that date and continue to this point in time. Federal tax reform took effect in 1987 and has increased corporate income taxes. Again, the latter impact has not affected the corporate liability data published

in this report to a large extent yet but has affected recent cash collections as corporations make higher estimated payments. Also impacting the differences is the fact that audit collections by the Department of Revenue are not reflected in the liability series even though a corporation's liability has been increased. These studies have focused only on the liability declared on the corporation's original tax return.

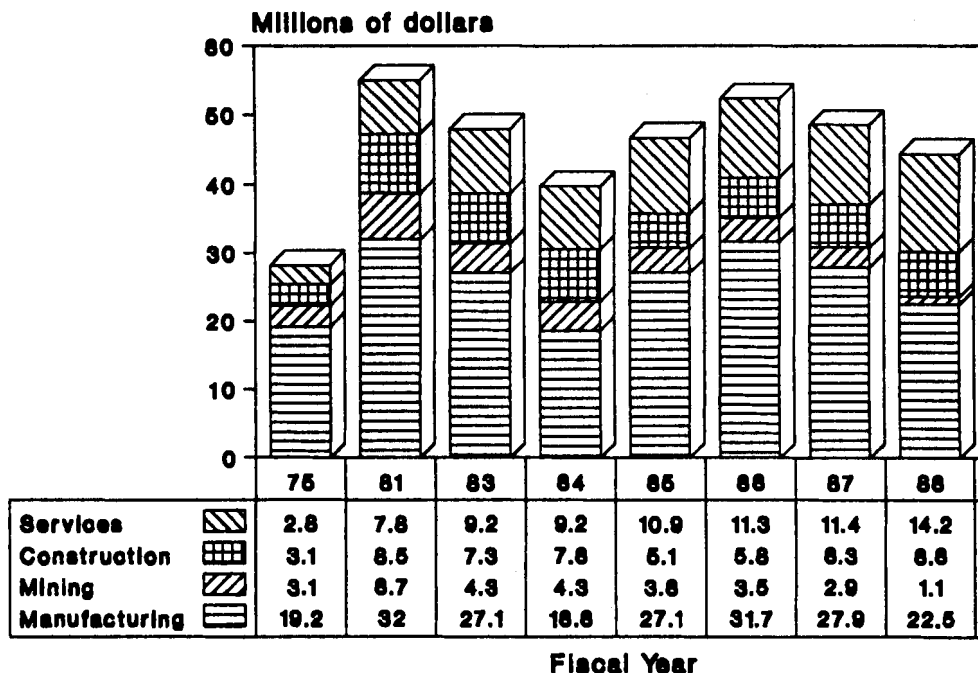
Industry Trends

Figures II-D and II-E show the historical series of net tax liability by major industry class. The services sector shows the largest growth rate over the time period (1975 to 1988) the corporate Statistics of Income reports have been published. The growth rate is 421%.

"The manufacturing sector has been the largest taxpayer . . ."

Tax liability recorded by the mining industry has been declining in recent years after reaching a high of \$7.2 million in fiscal year 1981. Net liability in fiscal 1988 was only \$1.2 million. This should not be a surprise as all portions of the Colorado mining industry have experienced price declines and/or weaker demand for its products.

Figure II-D. Corporate Income Tax by Major Industry

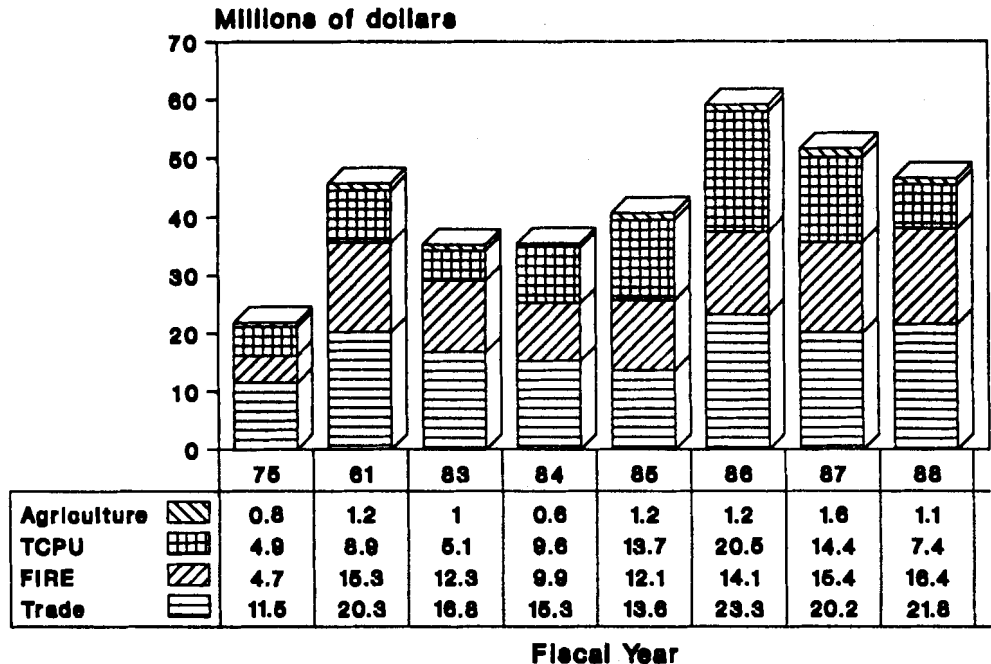


The manufacturing sector has been the largest taxpayer throughout the time period covered by these reports although it too has suffered in recent years as well. Tax liability in this sector has declined from \$39.1 million in fiscal year 1985 to just \$24.4 million in 1988. Although the detail is not shown in the data, a great portion of the decline is attributable to weaker performance by the high tech

electronics industry.

Also affecting the mining and manufacturing sectors are differences in apportionment of income to Colorado (revised use of "unitary" methods of determining Colorado taxable income pursuant to HB 1010, 1985 Session). Restrictions on the use of the unitary method of determining taxable income mean that smaller amounts of income will be apportioned to Colorado. Mining and manufacturing firms in Colorado (as elsewhere) are national and international in scope.

Figure II-E. Corporate Income Tax by Major Industry

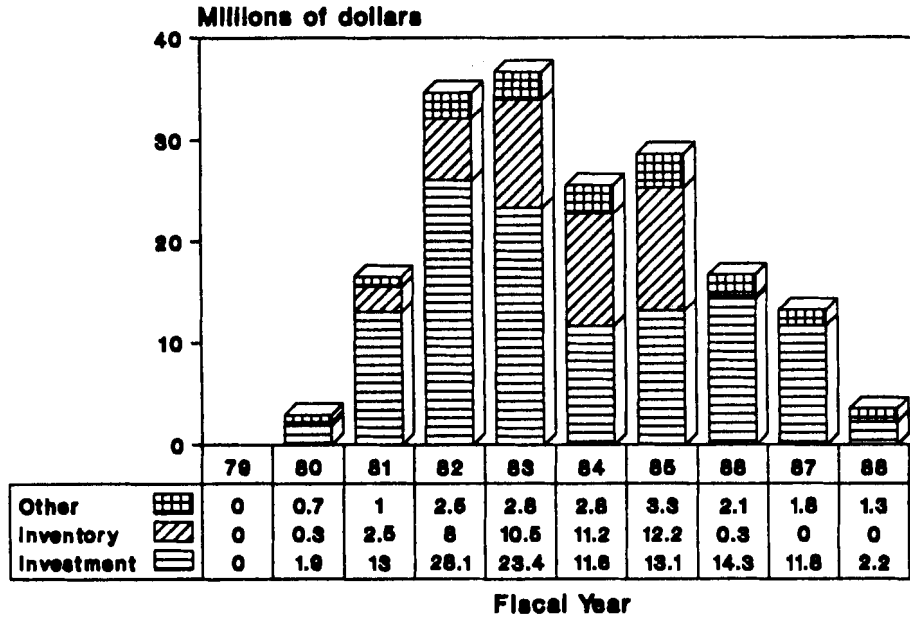


Income Tax Credits

Tax credits reached their low point at \$3.5 million since their inception in 1979 (see Figure II-F). Historically, the two largest credits have been the inventory and investment tax credits. The inventory credit was removed after the 1983 tax year when the property tax on inventory holdings was removed. The Colorado investment credit had been a varying percentage of the federal investment credit. With the federal Tax Reform Act of 1986, the federal investment credit was largely removed. The remaining investment tax credits consist predominantly of unused credits from prior tax years. The 1987 Colorado legislature enacted a "new" investment tax credit effective with the 1988 tax year. However, it is much more restrictive. The credit will be limited to a maximum \$1,000. Substantial carryover credits from the "old" investment credit remain and will affect state revenues for several years to come.

Other credits consist of the new business facilities credit, the commercial energy credit, the enterprise zone credit, and pollution control credit. The latter credit has not been in effect since the 1982 tax year. The enterprise zone credits were established beginning with the 1987 tax year. Less than \$100,000 was claimed on tax returns filed in fiscal 1988. Although not reflected in this report, slightly more than \$2.0 million was claimed for the enterprise zone credits for the 1989 fiscal year. The

**Figure II-F. Colorado Corporate
Income Tax Credits**



commercial energy credit has never been claimed extensively, averaging less than \$0.5 million annually during its existence. The new business facilities credit, which grants a new employee and investment credit, has ranged from \$1 million to \$2.1 million during its existence.

Tax Rates

"The decline in the maximum tax rate . . . may mean that the observed strength in revenue collections . . . may diminish . . ."

As mentioned earlier, the majority of the returns examined in this report are from the 1986 tax year and subject to a 5 percent tax rate. Corporate tax rates are higher for succeeding years. Table II-B shows the schedule of tax rates for these years.

Because of the higher tax rates for the first two periods shown in Table II-B, Colorado has enjoyed relatively strong cash receipts for the last two years. The decline in the maximum tax rate from 6 percent to 5.5 percent for the calendar 1989 tax year may mean that the observed strength in revenue collections in FY 1988-89 may diminish if corporate profits do not increase significantly to take up the slack.

Table II-B. Colorado Corporate Income Tax Rates

<u>Tax Year</u>		<u>Tax Rate on Colorado Net Income</u>		
<u>Beginning on or after</u>	<u>But Before</u>	<u>First \$50,000</u>	<u>Next \$150,000</u>	<u>Remainder</u>
7/1/86	7/1/87	5.25	5.50	6.00
		<u>First \$50,000</u>	<u>Remainder</u>	
7/1/87	7/1/88	5.50	6.00	
7/1/88	7/1/89	5.00	5.50	
7/1/89	7/1/90	5.00	5.40	
7/1/90	7/1/91	5.00	5.30	
7/1/91	7/1/92	5.00	5.20	
7/1/92	7/1/93	5.00	5.10	
7/1/93		5.00	5.00	

Detailed Tables

Appendix B has 13 tables showing distributions by taxable income size, tax size, and industry for several key items on the corporate income tax return including domicile, apportionment method, federal and Colorado taxable income, and Colorado tax liability. These tables continue the long published series of statistical data. The interested reader may consult prior corporation Statistics of Income reports for historical reference.

Appendix A. Detailed Statistics of Income--Individual Returns

List of Tables

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**Table A-1. Adjusted Gross Income and Tax
1987 Individual Income Tax Returns Filed in 1988**

A. Money Amounts in Thousands

Adjusted Gross Income Classes	Number of Returns	Adjusted Gross Income	Gross Normal Tax	Net Normal Tax	Federal Income Tax
Under \$ 5,000	244,956	\$624,752	\$4,544	\$4,544	\$30,674
\$ 5,000 - \$ 10,000	147,689	1,053,811	14,763	14,763	60,060
\$ 10,000 - \$ 15,000	188,317	2,303,857	50,220	49,397	156,957
\$ 15,000 - \$ 20,000	119,342	2,058,436	54,103	53,883	229,967
\$ 20,000 - \$ 25,000	102,378	2,304,314	70,363	69,756	222,182
\$ 25,000 - \$ 35,000	185,385	5,477,721	164,176	162,940	539,696
\$ 35,000 - \$ 50,000	160,933	6,672,526	215,113	213,173	747,785
\$ 50,000 - \$ 100,000	130,871	8,315,254	290,437	285,818	1,220,764
\$ 100,000 - and over	23,826	4,452,881	177,498	169,903	1,068,379
TOTAL	1,303,697	\$33,263,553	\$1,041,217	\$1,024,177	\$4,276,463

B. Percentage Distribution

Adjusted Gross Income Classes	Number of Returns	Adjusted Gross Income	Gross Normal Tax	Net Normal Tax	Federal Income Tax
Under \$ 5,000	18.8	1.9	0.4	0.4	0.7
\$ 5,000 - \$ 10,000	11.3	3.2	1.4	1.4	1.4
\$ 10,000 - \$ 15,000	14.4	6.9	4.8	4.8	3.7
\$ 15,000 - \$ 20,000	9.2	6.2	5.2	5.3	5.4
\$ 20,000 - \$ 25,000	7.9	6.9	6.8	6.8	5.2
\$ 25,000 - \$ 35,000	14.2	16.5	15.8	15.9	12.6
\$ 35,000 - \$ 50,000	12.3	20.1	20.7	20.8	17.5
\$ 50,000 - \$ 100,000	10.0	25.0	27.9	27.9	28.5
\$ 100,000 - and over	1.8	13.4	17.0	16.6	25.0
TOTAL	100.0	100.0	100.0	100.0	100.0

**Table A-2. Colorado Income Tax Credits
1987 Individual Income Tax Returns Filed In 1988**

A. Money Amounts In Thousands

Adjusted Gross Income Classes	Taxes Paid to Other States	Residential Energy Credit	Investment Tax Credit*	Unknown Credits	Total Credits
Under \$ 5,000	\$0	\$0	\$0	\$0	\$0
\$ 5,000 - \$ 10,000	0	0	0	0	\$0
\$ 10,000 - \$ 15,000	26	228	0	568	\$823
\$ 15,000 - \$ 20,000	134	0	0	86	\$220
\$ 20,000 - \$ 25,000	96	274	237	0	\$607
\$ 25,000 - \$ 35,000	193	499	245	300	\$1,236
\$ 35,000 - \$ 50,000	1,049	880	7	4	\$1,940
\$ 50,000 - \$ 100,000	3,251	212	406	750	\$4,619
\$ 100,000 - and over	6,509	14	40	1,036	\$7,599
TOTAL	\$11,258	\$2,107	\$935	\$2,744	\$17,043

B. Number of Returns

Adjusted Gross Income Classes	Taxes Paid to Other States	Residential Energy Credit	Investment Tax Credit*	Unknown Credits	Total Credits
Under \$ 5,000	0	0	0	0	0
\$ 5,000 - \$ 10,000	0	0	0	0	0
\$ 10,000 - \$ 15,000	850	4,152	0	1,701	6,703
\$ 15,000 - \$ 20,000	1,230	0	0	0	1,230
\$ 20,000 - \$ 25,000	1,110	850	290	290	2,540
\$ 25,000 - \$ 35,000	1,861	820	290	410	3,381
\$ 35,000 - \$ 50,000	2,900	1,208	544	169	4,821
\$ 50,000 - \$ 100,000	4,519	169	1,100	169	5,957
\$ 100,000 - and over	1,784	41	2,004	205	4,034
TOTAL	14,254	7,240	4,228	2,944	28,666

C. Average Dollar Amount per Return

Adjusted Gross Income Classes	Taxes Paid to Other States	Residential Energy Credit	Investment Tax Credit*	Unknown Credits	Total Credits
Under \$ 5,000	\$0	\$0	\$0	\$0	\$0
\$ 5,000 - \$ 10,000	\$0	\$0	\$0	\$0	\$0
\$ 10,000 - \$ 15,000	\$31	\$55	\$0	\$334	\$123
\$ 15,000 - \$ 20,000	\$109	\$0	\$0	\$0	\$179
\$ 20,000 - \$ 25,000	\$86	\$322	\$818	\$0	\$239
\$ 25,000 - \$ 35,000	\$104	\$608	\$843	\$732	\$366
\$ 35,000 - \$ 50,000	\$362	\$728	\$13	\$24	\$402
\$ 50,000 - \$ 100,000	\$719	\$1,256	\$369	\$4,438	\$775
\$ 100,000 - and over	\$3,648	\$351	\$20	\$5,054	\$1,884
TOTAL	\$790	\$291	\$221	\$932	\$595

**Table A-3. Income Tax Liabilities and Credits
1987 Individual Income Tax Returns Filed in 1988**

A. Money Amounts in Thousands

Adjusted Gross Income Classes	Gross Normal Tax	Income Tax Credits	Net Normal Tax	Alternative Minimum Tax	Total Income Tax Liability
Under \$ 5,000	\$4,544	\$0	\$4,544	\$39	\$4,584
\$ 5,000 - \$ 10,000	14,763	0	14,763	0	14,763
\$ 10,000 - \$ 15,000	50,220	823	49,397	0	49,397
\$ 15,000 - \$ 20,000	54,103	220	53,883	0	53,883
\$ 20,000 - \$ 25,000	70,363	607	69,756	0	69,756
\$ 25,000 - \$ 35,000	164,176	1,236	162,940	0	162,940
\$ 35,000 - \$ 50,000	215,113	1,940	213,173	5	213,177
\$ 50,000 - \$ 100,000	290,437	4,619	285,818	57	285,875
\$ 100,000 - and over	177,498	7,599	169,903	69	169,972
TOTAL	\$1,041,217	\$17,044	\$1,024,177	\$170	\$1,024,347

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes	Gross Normal Tax	Income Tax Credits	Net Normal Tax	Alternative Minimum Tax	Total Income Tax Liability
Under \$ 5,000	0.4	0.0	0.4	23.2	0.4
\$ 5,000 - \$ 10,000	1.4	0.0	1.4	0.0	1.4
\$ 10,000 - \$ 15,000	4.8	4.8	4.8	0.0	4.8
\$ 15,000 - \$ 20,000	5.2	1.3	5.3	0.0	5.3
\$ 20,000 - \$ 25,000	6.8	3.6	6.8	0.0	6.8
\$ 25,000 - \$ 35,000	15.8	7.3	15.9	0.0	15.9
\$ 35,000 - \$ 50,000	20.7	11.4	20.8	2.8	20.8
\$ 50,000 - \$ 100,000	27.9	27.1	27.9	33.5	27.9
\$ 100,000 - and over	17.0	44.6	16.6	40.5	16.6
TOTAL	100.0	100.0	100.0	100.0	100.0

**Table A-4. Returns Classified by Filing Status
1987 Individual Income Tax Returns Filed in 1988**

A. Money Amounts in Thousands

Adjusted Gross Income Classes	Single Status			Married Status			Head of Household		
	Number of Returns	Net Normal Tax	Average Tax	Number of Returns	Net Normal Tax	Average Tax	Number of Returns	Net Normal Tax	Average Tax
Under \$ 5,000	195,135	\$4,232	\$22	45,670	\$312	\$7	4,152	\$0	\$0
\$ 5,000 - \$ 10,000	102,020	14,149	139	33,214	230	7	12,455	383	31
\$ 10,000 - \$ 15,000	104,570	38,550	369	61,937	5,908	95	21,810	4,939	226
\$ 15,000 - \$ 20,000	55,854	33,752	604	47,674	13,986	293	15,814	6,146	389
\$ 20,000 - \$ 25,000	43,042	34,936	812	48,174	27,279	566	11,162	7,541	676
\$ 25,000 - \$ 35,000	50,959	51,801	1,017	120,868	100,280	830	13,558	10,859	801
\$ 35,000 - \$ 50,000	23,389	35,559	1,520	132,603	171,177	1,291	4,941	6,436	1,303
\$ 50,000 - \$ 100,000	6,344	15,332	2,417	123,089	267,475	2,173	1,438	3,011	2,094
\$ 100,000 - and over	2,373	15,120	6,372	20,863	152,781	7,323	590	2,001	3,392
TOTAL	583,686	\$243,431	\$417	634,092	\$739,429	\$1,166	85,920	\$41,317	\$481

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes	Single Status			Married Status			Head of Household		
	Number of Returns	Net Normal Tax	Average Tax	Number of Returns	Net Normal Tax	Average Tax	Number of Returns	Net Normal Tax	Average Tax
Under \$ 5,000	33.4	1.7		7.2	0.0		4.8	0.0	
\$ 5,000 - \$ 10,000	17.5	5.8		5.2	0.0		14.5	0.9	
\$ 10,000 - \$ 15,000	17.9	15.8		9.8	0.8		25.4	12.0	
\$ 15,000 - \$ 20,000	9.6	13.9		7.5	1.9		18.4	14.9	
\$ 20,000 - \$ 25,000	7.4	14.4		7.6	3.7		13.0	18.3	
\$ 25,000 - \$ 35,000	8.7	21.3		19.1	13.6		15.8	26.3	
\$ 35,000 - \$ 50,000	4.0	14.6		20.9	23.1		5.8	15.6	
\$ 50,000 - \$ 100,000	1.1	6.3		19.4	36.2		1.7	7.3	
\$ 100,000 - and over	0.4	6.2		3.3	20.7		0.7	4.8	
TOTAL	100.0	100.0		100.0	100.0		100.0	100.0	

**Table A-5. Returns Classified by Type
1987 Individual Income Tax Returns Filed In 1988**

A. Money Amounts in Thousands

Adjusted Gross Income Classes	Itemized Returns			Standard Deduction Returns		
	Number of Returns	Colorado AGI	Net Normal Tax	Number of Returns	Colorado AGI	Net Normal Tax
Under \$ 5,000	29,063	\$64,028	\$580	215,894	\$560,724	\$3,964
\$ 5,000 - \$ 10,000	22,835	144,029	896	124,855	909,782	13,866
\$ 10,000 - \$ 15,000	35,591	432,705	6,052	152,726	1,871,152	43,345
\$ 15,000 - \$ 20,000	42,480	731,275	12,950	76,861	1,327,161	40,933
\$ 20,000 - \$ 25,000	49,195	1,113,730	29,608	53,182	1,190,585	40,148
\$ 25,000 - \$ 35,000	125,147	3,723,112	100,499	60,238	1,754,609	62,441
\$ 35,000 - \$ 50,000	132,373	5,511,361	168,098	28,560	1,161,165	45,074
\$ 50,000 - \$ 100,000	125,964	8,027,897	274,452	4,906	287,357	11,366
\$ 100,000 - and over	22,954	4,310,224	163,994	871	142,658	5,909
TOTAL	585,602	\$24,058,363	\$757,130	718,093	\$9,205,193	\$267,047

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes	Itemized Returns			Standard Deduction Returns		
	Number of Returns	Colorado AGI	Net Normal Tax	Number of Returns	Colorado AGI	Net Normal Tax
Under \$ 5,000	5.0	0.3	0.1	30.1	6.1	1.5
\$ 5,000 - \$ 10,000	3.9	0.6	0.1	17.4	9.9	5.2
\$ 10,000 - \$ 15,000	6.1	1.8	0.8	21.3	20.3	16.2
\$ 15,000 - \$ 20,000	7.3	3.0	1.7	10.7	14.4	15.3
\$ 20,000 - \$ 25,000	8.4	4.6	3.9	7.4	12.9	15.0
\$ 25,000 - \$ 35,000	21.4	15.5	13.3	8.4	19.1	23.4
\$ 35,000 - \$ 50,000	22.6	22.9	22.2	4.0	12.6	16.9
\$ 50,000 - \$ 100,000	21.5	33.4	36.2	0.7	3.1	4.3
\$ 100,000 - and over	3.9	17.9	21.7	0.1	1.5	2.2
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

C. Average per Return

Adjusted Gross Income Classes	Itemized Returns		Standard Deduction Returns			
	Number of Returns	Colorado AGI	Net Normal Tax	Number of Returns	Colorado AGI	Net Normal Tax
Under \$ 5,000		\$2,203	\$20		\$2,597	\$18
\$ 5,000 - \$ 10,000		6,307	39		7,287	111
\$ 10,000 - \$ 15,000		12,158	170		12,252	284
\$ 15,000 - \$ 20,000		17,215	305		17,267	533
\$ 20,000 - \$ 25,000		22,639	602		22,387	755
\$ 25,000 - \$ 35,000		29,750	803		29,128	1,037
\$ 35,000 - \$ 50,000		41,635	1,270		40,657	1,578
\$ 50,000 - \$ 100,000		63,732	2,179		58,573	2,317
\$ 100,000 - and over		187,777	7,144		163,786	6,784
TOTAL		\$41,083	\$1,293		\$12,819	\$372

**Table A-6. Number of Returns Classified by Number of Exemptions
1987 Individual Income Tax Returns Filed in 1988**

A. Number of Returns

Adjusted Gross Income Classes	Number of Exemptions						Total
	Zero	One	Two	Three	Four	Five or More	
Under \$ 5,000	35,290	157,768	43,594	2,076	2,076	4,152	244,956
\$ 5,000 - \$ 10,000	850	99,093	22,835	14,531	6,228	4,152	147,689
\$ 10,000 - \$ 15,000	410	105,420	42,194	19,533	14,531	6,228	188,316
\$ 15,000 - \$ 20,000	0	54,033	36,752	12,599	8,879	7,078	119,341
\$ 20,000 - \$ 25,000	290	42,721	27,493	15,052	7,122	9,699	102,377
\$ 25,000 - \$ 35,000	254	51,213	56,863	29,809	28,626	18,620	185,385
\$ 35,000 - \$ 50,000	254	22,471	52,843	30,533	39,183	15,649	160,933
\$ 50,000 - \$ 100,000	0	5,667	44,854	31,380	32,212	16,758	130,871
\$ 100,000 - and over	0	2,209	7,314	3,742	6,587	3,973	23,825
TOTAL	37,348	540,595	334,742	159,255	145,444	86,309	1,303,693

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes	Number of Exemptions						Total
	Zero	One	Two	Three	Four	Five or More	
Under \$ 5,000	94.5	29.2	13.0	1.3	1.4	4.8	18.8
\$ 5,000 - \$ 10,000	2.3	18.3	6.8	9.1	4.3	4.8	11.3
\$ 10,000 - \$ 15,000	1.1	19.5	12.6	12.3	10.0	7.2	14.4
\$ 15,000 - \$ 20,000	0.0	10.0	11.0	7.9	6.1	8.2	9.2
\$ 20,000 - \$ 25,000	0.8	7.9	8.2	9.5	4.9	11.2	7.9
\$ 25,000 - \$ 35,000	0.7	9.5	17.0	18.7	19.7	21.6	14.2
\$ 35,000 - \$ 50,000	0.7	4.2	15.8	19.2	26.9	18.1	12.3
\$ 50,000 - \$ 100,000	0.0	1.0	13.4	19.7	22.1	19.4	10.0
\$ 100,000 - and over	0.0	0.4	2.2	2.3	4.5	4.6	1.8
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Number of Exemptions

Adjusted Gross Income Classes	Number of Exemptions						Total
	Zero	One	Two	Three	Four	Five or More	
Under \$ 5,000	14.4	64.4	17.8	0.8	0.8	1.7	100.0
\$ 5,000 - \$ 10,000	0.6	67.1	15.5	9.8	4.2	2.8	100.0
\$ 10,000 - \$ 15,000	0.2	56.0	22.4	10.4	7.7	3.3	100.0
\$ 15,000 - \$ 20,000	0.0	45.3	30.8	10.6	7.4	5.9	100.0
\$ 20,000 - \$ 25,000	0.3	41.7	26.9	14.7	7.0	9.5	100.0
\$ 25,000 - \$ 35,000	0.1	27.6	30.7	16.1	15.4	10.0	100.0
\$ 35,000 - \$ 50,000	0.2	14.0	32.8	19.0	24.3	9.7	100.0
\$ 50,000 - \$ 100,000	0.0	4.3	34.3	24.0	24.6	12.8	100.0
\$ 100,000 - and over	0.0	9.3	30.7	15.7	27.6	16.7	100.0
TOTAL	2.9	41.5	25.7	12.2	11.2	6.6	100.0

**Table A-7. Colorado AGI Classified by Number of Exemptions
1987 Individual Income Tax Returns Filed in 1988**

A. Colorado AGI

Adjusted Gross Income Classes	Number of Exemptions						Total
	Zero	One	Two	Three	Four	Five or More	
Under \$ 5,000	\$80,300	\$439,938	\$91,219	\$8,893	\$0	\$4,403	\$624,752
\$ 5,000 - \$ 10,000	7,696	711,304	152,625	100,451	51,333	30,402	1,053,811
\$ 10,000 - \$ 15,000	4,922	1,284,494	512,034	244,685	182,534	75,189	2,303,857
\$ 15,000 - \$ 20,000	0	927,406	622,321	228,825	157,063	123,021	2,058,436
\$ 20,000 - \$ 25,000	6,513	949,526	625,958	336,522	163,009	222,787	2,304,314
\$ 25,000 - \$ 35,000	8,617	1,483,984	1,696,713	894,123	860,580	533,705	5,477,722
\$ 35,000 - \$ 50,000	9,665	927,188	2,182,372	1,264,221	1,643,734	645,348	6,672,527
\$ 50,000 - \$ 100,000	0	355,846	2,831,381	2,029,912	2,037,778	1,060,338	8,315,255
\$ 100,000 - and over	0	404,129	1,513,364	653,833	1,188,872	692,684	4,452,882
TOTAL	\$117,712	\$7,483,814	\$10,227,987	\$5,761,265	\$6,284,903	\$3,387,875	\$33,263,556

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes	Number of Exemptions						Total
	Zero	One	Two	Three	Four	Five or More	
Under \$ 5,000	68.2	5.9	0.9	0.2	0.0	0.1	1.9
\$ 5,000 - \$ 10,000	6.5	9.5	1.5	1.7	0.8	0.9	3.2
\$ 10,000 - \$ 15,000	4.2	17.2	5.0	4.2	2.9	2.2	6.9
\$ 15,000 - \$ 20,000	0.0	12.4	6.1	4.0	2.5	3.6	6.2
\$ 20,000 - \$ 25,000	5.5	12.7	6.1	5.8	2.6	6.6	6.9
\$ 25,000 - \$ 35,000	7.3	19.8	16.6	15.5	13.7	15.8	16.5
\$ 35,000 - \$ 50,000	8.2	12.4	21.3	21.9	26.2	19.0	20.1
\$ 50,000 - \$ 100,000	0.0	4.8	27.7	35.2	32.4	31.3	25.0
\$ 100,000 - and over	0.0	5.4	14.8	11.3	18.9	20.4	13.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Number of Exemptions

Adjusted Gross Income Classes	Number of Exemptions						Total
	Zero	One	Two	Three	Four	Five or More	
Under \$ 5,000	12.9	70.4	14.6	1.4	0.0	0.7	100.0
\$ 5,000 - \$ 10,000	0.7	67.5	14.5	9.5	4.9	2.9	100.0
\$ 10,000 - \$ 15,000	0.2	55.8	22.2	10.6	7.9	3.3	100.0
\$ 15,000 - \$ 20,000	0.0	45.1	30.2	11.1	7.6	6.0	100.0
\$ 20,000 - \$ 25,000	0.3	41.2	27.2	14.6	7.1	9.7	100.0
\$ 25,000 - \$ 35,000	0.2	27.1	31.0	16.3	15.7	9.7	100.0
\$ 35,000 - \$ 50,000	0.1	13.9	32.7	18.9	24.6	9.7	100.0
\$ 50,000 - \$ 100,000	0.0	4.3	34.1	24.4	24.5	12.8	100.0
\$ 100,000 - and over	0.0	9.1	34.0	14.7	26.7	15.6	100.0
TOTAL	0.4	22.5	30.7	17.3	18.9	10.2	100.0

**Table A-8. Net Normal Tax Classified by Number of Exemptions
1987 Individual Income Tax Returns Filed in 1988**

A. Net Normal Tax

Adjusted Gross Income Classes	Number of Exemptions						Total
	Zero	One	Two	Three	Four	Five or More	
Under \$ 5,000	\$1,669	\$2,563	\$312	\$0	\$0	\$0	\$4,544
\$ 5,000 - \$ 10,000	275	13,874	556	58	0	0	14,763
\$ 10,000 - \$ 15,000	235	38,923	6,553	2,607	1,079	0	49,397
\$ 15,000 - \$ 20,000	0	32,927	12,469	5,170	2,779	538	53,883
\$ 20,000 - \$ 25,000	288	35,013	19,366	8,854	3,456	2,779	69,756
\$ 25,000 - \$ 35,000	397	52,090	52,457	25,326	22,607	10,064	162,940
\$ 35,000 - \$ 50,000	457	34,462	75,336	38,312	47,890	16,714	213,173
\$ 50,000 - \$ 100,000	0	13,490	104,262	70,823	65,725	31,517	285,818
\$ 100,000 - and over	0	13,258	58,887	25,681	46,153	25,923	169,903
TOTAL	\$3,321	\$236,601	\$330,198	\$176,832	\$189,690	\$87,535	\$1,024,177

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes	Number of Exemptions						Total
	Zero	One	Two	Three	Four	Five or More	
Under \$ 5,000	50.3	1.1	0.1	0.0	0.0	0.0	0.4
\$ 5,000 - \$ 10,000	8.3	5.9	0.2	0.0	0.0	0.0	1.4
\$ 10,000 - \$ 15,000	7.1	16.5	2.0	1.5	0.6	0.0	4.8
\$ 15,000 - \$ 20,000	0.0	13.9	3.8	2.9	1.5	0.6	5.3
\$ 20,000 - \$ 25,000	8.7	14.8	5.9	5.0	1.8	3.2	6.8
\$ 25,000 - \$ 35,000	11.9	22.0	15.9	14.3	11.9	11.5	15.9
\$ 35,000 - \$ 50,000	13.8	14.6	22.8	21.7	25.2	19.1	20.8
\$ 50,000 - \$ 100,000	0.0	5.7	31.6	40.1	34.6	36.0	27.9
\$ 100,000 - and over	0.0	5.6	17.8	14.5	24.3	29.6	16.6
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Number of Exemptions

Adjusted Gross Income Classes	Number of Exemptions						Total
	Zero	One	Two	Three	Four	Five or More	
Under \$ 5,000	36.7	56.4	6.9	0.0	0.0	0.0	100.0
\$ 5,000 - \$ 10,000	1.9	94.0	3.8	0.4	0.0	0.0	100.0
\$ 10,000 - \$ 15,000	0.5	78.8	13.3	5.3	2.2	0.0	100.0
\$ 15,000 - \$ 20,000	0.0	61.1	23.1	9.6	5.2	1.0	100.0
\$ 20,000 - \$ 25,000	0.4	50.2	27.8	12.7	5.0	4.0	100.0
\$ 25,000 - \$ 35,000	0.2	32.0	32.2	15.5	13.9	6.2	100.0
\$ 35,000 - \$ 50,000	0.2	16.2	35.3	18.0	22.5	7.8	100.0
\$ 50,000 - \$ 100,000	0.0	4.7	36.5	24.8	23.0	11.0	100.0
\$ 100,000 - and over	0.0	7.8	34.7	15.1	27.2	15.3	100.0
TOTAL	0.3	23.1	32.2	17.3	18.5	8.5	100.0

**Table A-9. Value of Exemptions, Deductions, and Taxable Income
1987 Individual Income Tax Returns Filed in 1988**

A. Dollar Amounts in Thousands

Adjusted Gross Income Classes	Value of Exemptions and Deductions					Taxable Income
	Colorado AGI	Personal Exemptions	Standard Deductions	Itemized Deductions	Total Deductions	
Under \$ 5,000	\$624,752	\$433,863	\$591,810	\$267,416	\$1,293,089	\$91,359
\$ 5,000 - \$ 10,000	1,053,811	432,819	360,517	140,808	934,144	297,001
\$ 10,000 - \$ 15,000	2,303,857	649,465	494,706	197,847	1,342,019	1,005,036
\$ 15,000 - \$ 20,000	2,058,436	460,694	236,754	302,898	1,000,346	1,082,116
\$ 20,000 - \$ 25,000	2,304,314	426,662	173,822	301,925	902,409	1,407,176
\$ 25,000 - \$ 35,000	5,477,722	894,602	219,428	1,087,702	2,201,732	3,283,679
\$ 35,000 - \$ 50,000	6,672,527	874,003	108,369	1,437,239	2,419,611	4,302,131
\$ 50,000 - \$ 100,000	8,315,255	774,212	18,090	1,728,244	2,520,546	5,808,673
\$ 100,000 - and over	4,452,882	144,732	3,579	757,488	905,799	3,549,970
TOTAL	\$33,263,556	\$5,091,052	\$2,207,074	\$6,221,567	\$13,519,693	\$20,827,140

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes	Value of Exemptions and Deductions					Taxable Income
	Colorado AGI	Personal Exemptions	Standard Deductions	Itemized Deductions	Total Deductions	
Under \$ 5,000	1.9	8.5	26.8	4.3	9.6	0.4
\$ 5,000 - \$ 10,000	3.2	8.5	16.3	2.3	6.9	1.4
\$ 10,000 - \$ 15,000	6.9	12.8	22.4	3.2	9.9	4.8
\$ 15,000 - \$ 20,000	6.2	9.0	10.7	4.9	7.4	5.2
\$ 20,000 - \$ 25,000	6.9	8.4	7.9	4.9	6.7	6.8
\$ 25,000 - \$ 35,000	16.5	17.6	9.9	17.5	16.3	15.8
\$ 35,000 - \$ 50,000	20.1	17.2	4.9	23.1	17.9	20.7
\$ 50,000 - \$ 100,000	25.0	15.2	0.8	27.8	18.6	27.9
\$ 100,000 - and over	13.4	2.8	0.2	12.2	6.7	17.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

C. Distribution as Percent of Adjusted Gross Income

Adjusted Gross Income Classes	Value of Exemptions and Deductions					Taxable Income
	Colorado AGI	Personal Exemptions	Standard Deductions	Itemized Deductions	Total Deductions	
Under \$ 5,000	100.0	69.4	94.7	42.8	207.0	14.6
\$ 5,000 - \$ 10,000	100.0	41.1	34.2	13.4	88.6	28.2
\$ 10,000 - \$ 15,000	100.0	28.2	21.5	8.6	58.3	43.6
\$ 15,000 - \$ 20,000	100.0	22.4	11.5	14.7	48.6	52.6
\$ 20,000 - \$ 25,000	100.0	18.5	7.5	13.1	39.2	61.1
\$ 25,000 - \$ 35,000	100.0	16.3	4.0	19.9	40.2	59.9
\$ 35,000 - \$ 50,000	100.0	13.1	1.6	21.5	36.3	64.5
\$ 50,000 - \$ 100,000	100.0	9.3	0.2	20.8	30.3	69.9
\$ 100,000 - and over	100.0	3.3	0.1	17.0	20.3	79.7
TOTAL	100.0	15.3	6.6	18.7	40.6	62.6

**Table A-10. Type and Value of Itemized Deductions
1987 Individual Income Tax Returns Filed in 1988**

A. Dollar Amounts in Thousands

Adjusted Gross Income Classes	Medical Expense	State and Local Income Tax	Real Estate Tax	Other Taxes	Home Interest Expense	Personal Interest Expense	Other Interest Expense	Contri- butions	Misc. Itemized Deductions	Total Itemized Deductions
Under \$ 5,000	\$ 28,782	\$ 3,842	\$ 26,491	\$ 3,575	\$ 175,194	\$ 4,865	\$ 0	\$ 9,838	\$ 14,830	\$ 267,416
\$ 5,000 - \$ 10,000	53,308	2,327	10,132	791	30,680	13,266	0	22,912	7,392	140,808
\$ 10,000 - \$ 15,000	38,449	10,153	28,399	2,747	71,199	12,273	0	20,625	14,003	197,847
\$ 15,000 - \$ 20,000	28,526	28,304	27,822	2,883	122,031	14,129	1,055	69,366	8,784	302,898
\$ 20,000 - \$ 25,000	8,012	37,366	25,491	3,942	145,523	27,923	5,311	20,824	27,533	301,925
\$ 25,000 - \$ 35,000	22,529	134,126	87,665	14,650	564,735	88,125	10,338	91,537	73,997	1,087,702
\$ 35,000 - \$ 50,000	8,628	209,497	118,611	20,236	726,929	109,297	38,269	124,519	81,251	1,437,239
\$ 50,000 - \$ 100,000	9,227	322,605	146,399	25,651	844,496	116,820	34,113	150,891	78,042	1,728,244
\$ 100,000 - and over	2,994	180,853	47,272	8,375	234,677	34,796	111,774	92,438	44,309	757,488
TOTAL	\$200,455	\$929,073	\$518,282	\$82,850	\$2,915,463	\$421,495	\$200,860	\$602,949	\$350,141	\$6,221,567

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes	Medical Expense	State and Local Income Tax	Real Estate Tax	Other Taxes	Home Interest Expense	Personal Interest Expense	Other Interest Expense	Contri- butions	Misc. Itemized Deductions	Total Itemized Deductions
Under \$ 5,000	14.4	0.4	5.1	4.3	6.0	1.2	0.0	1.6	4.2	4.3
\$ 5,000 - \$ 10,000	26.6	0.3	2.0	1.0	1.1	3.1	0.0	3.8	2.1	2.3
\$ 10,000 - \$ 15,000	19.2	1.1	5.5	3.3	2.4	2.9	0.0	3.4	4.0	3.2
\$ 15,000 - \$ 20,000	14.2	3.0	5.4	3.5	4.2	3.4	0.5	11.5	2.5	4.9
\$ 20,000 - \$ 25,000	4.0	4.0	4.9	4.8	5.0	6.6	2.6	3.5	7.9	4.9
\$ 25,000 - \$ 35,000	11.2	14.4	16.9	17.7	19.4	20.9	5.1	15.2	21.1	17.5
\$ 35,000 - \$ 50,000	4.3	22.5	22.9	24.4	24.9	25.9	19.1	20.7	23.2	23.1
\$ 50,000 - \$ 100,000	4.6	34.7	28.2	31.0	29.0	27.7	17.0	25.0	22.3	27.8
\$ 100,000 - and over	1.5	19.5	9.1	10.1	8.0	8.3	55.6	15.3	12.7	12.2
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Type of Deduction

Adjusted Gross Income Classes	Medical Expense	State and Local Income Tax	Real Estate Tax	Other Taxes	Home Interest Expense	Personal Interest Expense	Other Interest Expense	Contri- butions	Misc. Itemized Deductions	Total Itemized Deductions
Under \$ 5,000	10.8	1.4	9.9	1.3	65.5	1.8	0.0	3.7	5.5	100.0
\$ 5,000 - \$ 10,000	37.9	1.7	7.2	0.6	21.8	9.4	0.0	16.3	5.2	100.0
\$ 10,000 - \$ 15,000	19.4	5.1	14.4	1.4	36.0	6.2	0.0	10.4	7.1	100.0
\$ 15,000 - \$ 20,000	9.4	9.3	9.2	1.0	40.3	4.7	0.3	22.9	2.9	100.0
\$ 20,000 - \$ 25,000	2.7	12.4	8.4	1.3	48.2	9.2	1.8	6.9	9.1	100.0
\$ 25,000 - \$ 35,000	2.1	12.3	8.1	1.3	51.9	8.1	1.0	8.4	6.8	100.0
\$ 35,000 - \$ 50,000	0.6	14.6	8.3	1.4	50.6	7.6	2.7	8.7	5.7	100.0
\$ 50,000 - \$ 100,000	0.5	18.7	8.5	1.5	48.9	6.8	2.0	8.7	4.5	100.0
\$ 100,000 - and over	0.4	23.9	6.2	1.1	31.0	4.6	14.8	12.2	5.8	100.0
TOTAL	3.2	14.9	8.3	1.3	46.9	6.8	3.2	9.7	5.6	100.0

**Table A-11. Number of Returns and Type of Itemized Deduction
1987 Individual Income Tax Returns Filed in 1988**

A. Number of Returns

Adjusted Gross Income Classes	Medical Expense	State and Local Income Tax	Real Estate Tax	Other Taxes	Home Interest Expense	Personal Interest Expense	Other Interest Expense	Contri- butions	Misc. Itemized Deductions	Total Itemized Deductions
Under \$ 5,000	14,831	16,607	16,607	18,683	14,531	10,379	0	14,531	8,304	29,063
\$ 5,000 - \$ 10,000	10,379	6,228	12,455	14,531	10,379	10,379	0	16,607	2,076	22,835
\$ 10,000 - \$ 15,000	14,631	28,037	26,337	22,185	16,707	26,337	0	32,189	10,004	35,591
\$ 15,000 - \$ 20,000	13,441	38,704	35,393	35,513	30,801	28,030	2,076	36,329	8,408	42,480
\$ 20,000 - \$ 25,000	7,792	46,825	38,373	37,822	40,713	40,014	3,891	37,373	16,221	49,195
\$ 25,000 - \$ 35,000	19,918	122,569	110,946	109,549	110,810	106,662	10,413	108,584	33,655	125,147
\$ 35,000 - \$ 50,000	7,999	132,227	117,899	115,507	123,167	117,827	20,696	122,837	29,440	132,373
\$ 50,000 - \$ 100,000	3,745	124,696	117,337	113,241	117,167	114,207	25,555	119,705	28,940	125,964
\$ 100,000 - and over	210	22,960	21,509	19,756	19,238	18,244	9,201	22,119	5,721	22,954
TOTAL	92,646	538,853	496,846	486,787	483,513	472,079	71,832	509,974	142,769	585,602

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes	Medical Expense	State and Local Income Tax	Real Estate Tax	Other Taxes	Home Interest Expense	Personal Interest Expense	Other Interest Expense	Contri- butions	Misc. Itemized Deductions	Total Itemized Deductions
Under \$ 5,000	15.7	3.1	3.3	3.8	3.0	2.2	0.0	2.8	5.8	5.0
\$ 5,000 - \$ 10,000	11.2	1.2	2.5	3.0	2.1	2.2	0.0	3.3	1.5	3.9
\$ 10,000 - \$ 15,000	15.8	5.2	5.3	4.6	3.5	5.6	0.0	6.3	7.0	6.1
\$ 15,000 - \$ 20,000	14.5	7.2	7.1	7.3	6.4	5.9	2.9	7.1	5.9	7.3
\$ 20,000 - \$ 25,000	8.4	8.7	7.7	7.8	8.4	8.5	5.4	7.3	11.4	8.4
\$ 25,000 - \$ 35,000	21.5	22.7	22.3	22.5	22.9	22.6	14.5	21.3	23.6	21.4
\$ 35,000 - \$ 50,000	8.6	24.5	23.7	23.7	25.5	25.0	28.8	24.0	20.6	22.6
\$ 50,000 - \$ 100,000	4.0	23.1	23.6	23.3	24.2	24.2	35.6	23.5	20.3	21.5
\$ 100,000 - and over	0.2	4.3	4.3	4.1	4.0	3.9	12.8	4.3	4.0	3.9
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Type of Deduction

Adjusted Gross Income Classes	Medical Expense	State and Local Income Tax	Real Estate Tax	Other Taxes	Home Interest Expense	Personal Interest Expense	Other Interest Expense	Contri- butions	Misc. Itemized Deductions	Total Itemized Deductions
Under \$ 5,000	50.0	57.1	57.1	64.3	50.0	35.7	0.0	50.0	28.6	100.0
\$ 5,000 - \$ 10,000	45.5	27.3	54.5	63.6	45.5	45.5	0.0	72.7	9.1	100.0
\$ 10,000 - \$ 15,000	41.1	78.8	74.0	62.3	46.9	74.0	0.0	90.4	28.1	100.0
\$ 15,000 - \$ 20,000	31.6	91.1	83.3	83.6	72.5	66.0	4.9	85.5	19.8	100.0
\$ 20,000 - \$ 25,000	15.8	95.2	78.0	76.9	82.8	81.3	7.9	76.0	33.0	100.0
\$ 25,000 - \$ 35,000	15.9	97.9	88.7	87.5	88.5	85.2	8.3	86.8	26.9	100.0
\$ 35,000 - \$ 50,000	6.0	99.9	89.1	87.3	93.0	89.0	15.6	92.6	22.2	100.0
\$ 50,000 - \$ 100,000	3.0	99.0	93.2	89.9	93.0	90.7	20.3	95.0	23.0	100.0
\$ 100,000 - and over	0.9	100.0	93.7	86.1	83.8	79.5	40.1	96.4	24.9	100.0
TOTAL	15.8	92.0	84.8	83.1	82.6	80.6	12.3	87.1	24.4	100.0

**Table A-12. Colorado Income by Source of Income
1987 Individual Income Tax Returns Filed in 1988**

A. Dollar Amounts in Thousands

Adjusted Gross Income Classes	Total Colorado Income	Wage Income	Net Property Income		Business Income		Farm Income		Other Income
			Positive	Negative	Positive	Negative	Positive	Negative	
Under \$ 5,000	\$471,605	\$678,288	\$490,552	(\$416,971)	\$20,643	(\$4,027)	\$3,770	\$0	(\$300,648)
\$ 5,000 - \$ 10,000	1,242,331	834,364	292,697	(60,761)	84,641	(1,478)	0	0	92,859
\$ 10,000 - \$ 15,000	2,820,319	1,702,463	646,987	(8,622)	121,569	(16,790)	15,259	0	59,454
\$ 15,000 - \$ 20,000	2,214,368	1,607,307	448,804	(9,179)	122,673	(1,731)	13,207	(5,493)	38,779
\$ 20,000 - \$ 25,000	2,451,491	1,980,350	322,761	(16,183)	64,350	(7,750)	0	(3,771)	111,734
\$ 25,000 - \$ 35,000	5,770,766	4,794,364	700,873	(114,894)	256,139	(19,185)	35,116	(30,735)	149,088
\$ 35,000 - \$ 50,000	6,907,303	5,953,150	693,868	(72,124)	219,645	(21,546)	5,079	(11,719)	140,951
\$ 50,000 - \$ 100,000	8,542,723	6,979,292	1,144,392	(102,388)	412,112	(32,834)	20,976	(32,832)	154,004
\$ 100,000 - and over	4,523,172	2,341,204	1,867,499	(50,627)	295,000	(30,261)	34,519	(23,706)	89,544
TOTAL	\$34,644,080	\$26,870,782	\$6,608,432	(\$851,739)	\$1,596,772	(\$135,602)	\$127,926	(\$108,256)	\$535,765

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes	Total Colorado Income	Wage Income	Net Property Income		Business Income		Farm Income		Other Income
			Positive	Negative	Positive	Negative	Positive	Negative	
Under \$ 5,000	1.4	2.5	7.4	49.0	1.3	3.0	2.9	0.0	-56.1
\$ 5,000 - \$ 10,000	3.6	3.1	4.4	7.1	5.3	1.1	0.0	0.0	17.3
\$ 10,000 - \$ 15,000	7.3	6.3	9.8	1.0	7.6	12.4	11.9	0.0	11.1
\$ 15,000 - \$ 20,000	6.4	6.0	6.8	1.1	7.7	1.3	10.3	5.1	7.2
\$ 20,000 - \$ 25,000	7.1	7.4	4.9	1.9	4.0	5.7	0.0	3.5	20.9
\$ 25,000 - \$ 35,000	16.7	17.8	10.6	13.5	16.0	14.1	27.5	28.4	27.8
\$ 35,000 - \$ 50,000	19.9	22.2	10.5	8.5	13.8	15.9	4.0	10.8	26.3
\$ 50,000 - \$ 100,000	24.7	26.0	17.3	12.0	25.8	24.2	16.4	30.3	28.7
\$ 100,000 - and over	13.1	8.7	28.3	5.9	18.5	22.3	27.0	21.9	16.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Source of Income

Adjusted Gross Income Classes	Total Colorado Income	Wage Income	Net Property Income		Business Income		Farm Income		Other Income
			Positive	Negative	Positive	Negative	Positive	Negative	
Under \$ 5,000	100.0	143.8	104.0	-88.4	4.4	-0.9	0.8	0.0	-63.7
\$ 5,000 - \$ 10,000	100.0	67.2	23.6	-4.9	6.8	-0.1	0.0	0.0	7.5
\$ 10,000 - \$ 15,000	100.0	67.5	25.7	-0.3	4.8	-0.7	0.6	0.0	2.4
\$ 15,000 - \$ 20,000	100.0	72.6	20.3	-0.4	5.5	-0.1	0.6	-0.2	1.8
\$ 20,000 - \$ 25,000	100.0	80.8	13.2	-0.7	2.6	-0.3	0.0	-0.2	4.6
\$ 25,000 - \$ 35,000	100.0	83.1	12.1	-2.0	4.4	-0.3	0.6	-0.5	2.6
\$ 35,000 - \$ 50,000	100.0	86.2	10.0	-1.0	3.2	-0.3	0.1	-0.2	2.0
\$ 50,000 - \$ 100,000	100.0	81.7	13.4	-1.2	4.8	-0.4	0.2	-0.4	1.8
\$ 100,000 - and over	100.0	51.8	41.3	-1.1	6.5	-0.7	0.8	-0.5	2.0
TOTAL	100.0	77.6	19.1	-2.5	4.6	-0.4	0.4	-0.3	1.5

**Table A-13. Number of Returns Classified by Source of Income
1987 Individual Income Tax Returns Filed in 1988**

A. Number of Returns

Adjusted Gross Income Classes		Total Colorado Income	Wage Income	Net Property Income		Business Income		Farm Income		Other Income
				Positive	Negative	Positive	Negative	Positive	Negative	
Under	\$ 5,000	244,956	180,603	134,933	12,456	8,304	4,152	2,076	0	45,670
\$ 5,000 -	\$ 10,000	147,669	122,779	74,833	2,076	29,913	850	0	0	36,991
\$ 10,000 -	\$ 15,000	188,317	155,717	110,733	6,703	18,883	2,926	5,853	0	45,220
\$ 15,000 -	\$ 20,000	119,342	100,130	72,181	7,527	16,631	820	1,260	1,260	40,298
\$ 20,000 -	\$ 25,000	102,378	95,447	74,021	5,201	9,502	2,900	0	1,961	51,276
\$ 25,000 -	\$ 35,000	185,385	172,086	141,015	18,296	28,756	9,212	2,404	4,600	120,829
\$ 35,000 -	\$ 50,000	180,933	152,513	131,695	17,507	24,009	8,360	507	1,268	120,423
\$ 50,000 -	\$ 100,000	130,871	123,596	110,185	16,554	19,442	7,649	1,184	1,692	105,266
\$ 100,000 -	and over	23,826	19,551	18,182	5,475	6,003	2,409	533	743	18,679
TOTAL		1,303,697	1,122,422	867,778	91,794	161,443	39,278	13,817	11,524	584,852

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes		Total Colorado Income	Wage Income	Net Property Income		Business Income		Farm Income		Other Income
				Positive	Negative	Positive	Negative	Positive	Negative	
Under	\$ 5,000	18.8	16.1	15.5	13.6	5.1	10.6	15.0	0.0	7.8
\$ 5,000 -	\$ 10,000	11.3	10.9	8.6	2.3	18.5	2.2	0.0	0.0	6.3
\$ 10,000 -	\$ 15,000	14.4	13.9	12.8	7.3	11.7	7.4	42.4	0.0	7.7
\$ 15,000 -	\$ 20,000	9.2	8.9	8.3	8.2	10.3	2.1	9.1	10.9	6.9
\$ 20,000 -	\$ 25,000	7.9	8.5	8.5	5.7	5.9	7.4	0.0	17.0	8.8
\$ 25,000 -	\$ 35,000	14.2	15.3	16.3	19.9	17.8	23.5	17.4	39.9	20.7
\$ 35,000 -	\$ 50,000	12.3	13.6	15.2	19.1	14.9	21.3	3.7	11.0	20.6
\$ 50,000 -	\$ 100,000	10.0	11.0	12.7	18.0	12.0	19.5	8.6	14.7	18.0
\$ 100,000 -	and over	1.8	1.7	2.1	6.0	3.7	6.1	3.9	6.4	3.2
TOTAL		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Source of Income

Adjusted Gross Income Classes		Total Colorado Income	Wage Income	Net Property Income		Business Income		Farm Income		Other Income
				Positive	Negative	Positive	Negative	Positive	Negative	
Under	\$ 5,000	100.0	73.7	55.1	5.1	3.4	1.7	0.8	0.0	18.6
\$ 5,000 -	\$ 10,000	100.0	83.1	50.7	1.4	20.3	0.6	0.0	0.0	25.0
\$ 10,000 -	\$ 15,000	100.0	82.7	58.8	3.6	10.0	1.6	3.1	0.0	24.0
\$ 15,000 -	\$ 20,000	100.0	83.9	60.5	6.3	13.9	0.7	1.1	1.1	33.8
\$ 20,000 -	\$ 25,000	100.0	93.2	72.3	5.1	9.3	2.8	0.0	1.9	50.1
\$ 25,000 -	\$ 35,000	100.0	92.8	76.1	9.9	15.5	5.0	1.3	2.5	65.2
\$ 35,000 -	\$ 50,000	100.0	94.8	81.8	10.9	14.9	5.2	0.3	0.8	74.8
\$ 50,000 -	\$ 100,000	100.0	94.4	84.2	12.6	14.9	5.8	0.9	1.3	80.4
\$ 100,000 -	and over	100.0	82.1	76.3	23.0	25.2	10.1	2.2	3.1	78.4
TOTAL		100.0	86.1	66.6	7.0	12.4	3.0	1.1	0.9	44.8

**Table A-14. Net Property Income Classified by Source of Income
1987 Individual Income Tax Returns Filed in 1988**

A. Dollar Amounts in Thousands

Adjusted Gross Income Classes		Net Property Income	Interest Income	Dividend Income	Positive Capital Gains	Negative Capital Gains	Positive Schedule E Income	Negative Schedule E Income	Pension Income
Under	\$ 5,000	\$73,600	\$316,008	\$24,534	\$274,192	(\$39,450)	\$8,569	(\$896,388)	\$386,134
\$ 5,000 -	\$ 10,000	\$231,955	102,833	20,573	88,563	(852)	705	(189,737)	209,871
\$ 10,000 -	\$ 15,000	\$638,379	224,139	82,338	49,584	(19,688)	59,906	(11,106)	253,206
\$ 15,000 -	\$ 20,000	\$439,632	129,246	58,242	41,876	(12,075)	86,996	(8,839)	144,185
\$ 20,000 -	\$ 25,000	\$306,585	112,165	33,332	31,572	(9,023)	40,359	(15,862)	113,842
\$ 25,000 -	\$ 35,000	\$585,985	252,261	80,135	106,333	(16,267)	90,073	(143,092)	216,542
\$ 35,000 -	\$ 50,000	\$621,750	204,535	85,417	79,125	(16,439)	152,286	(148,213)	285,039
\$ 50,000 -	\$ 100,000	\$1,042,008	333,207	126,701	293,935	(41,042)	305,339	(168,061)	191,929
\$ 100,000 -	and over	\$1,816,869	441,552	316,308	801,726	(11,172)	416,241	(197,341)	49,555
TOTAL		\$5,756,762	\$2,115,946	\$827,580	\$1,766,906	(\$166,008)	\$1,160,474	(\$1,778,439)	\$1,830,303

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes		Net Property Income	Interest Income	Dividend Income	Positive Capital Gains	Negative Capital Gains	Positive Schedule E Income	Negative Schedule E Income	Pension Income
Under	\$ 5,000	1.3	14.9	3.0	15.5	23.8	0.7	50.4	21.1
\$ 5,000 -	\$ 10,000	4.0	4.9	2.5	5.0	0.5	0.1	10.7	11.5
\$ 10,000 -	\$ 15,000	11.1	10.6	9.9	2.8	11.9	5.2	0.6	13.8
\$ 15,000 -	\$ 20,000	7.6	6.1	7.0	2.4	7.3	7.5	0.5	7.9
\$ 20,000 -	\$ 25,000	5.3	5.3	4.0	1.8	5.4	3.5	0.9	6.2
\$ 25,000 -	\$ 35,000	10.2	11.9	9.7	6.0	9.8	7.8	8.0	11.8
\$ 35,000 -	\$ 50,000	10.8	9.7	10.3	4.5	9.9	13.1	8.3	14.5
\$ 50,000 -	\$ 100,000	18.1	15.7	15.3	16.6	24.7	26.3	9.4	10.5
\$ 100,000 -	and over	31.6	20.9	38.2	45.4	6.7	35.9	11.1	2.7
TOTAL		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Source of Income

Adjusted Gross Income Classes		Net Property Income	Interest Income	Dividend Income	Positive Capital Gains	Negative Capital Gains	Positive Schedule E Income	Negative Schedule E Income	Pension Income
Under	\$ 5,000	100.0	429.4	33.3	372.5	-53.6	11.6	-1217.9	524.6
\$ 5,000 -	\$ 10,000	100.0	44.3	8.9	38.2	-0.4	0.3	-81.8	90.5
\$ 10,000 -	\$ 15,000	100.0	35.1	12.9	7.8	-3.1	9.4	-1.7	39.7
\$ 15,000 -	\$ 20,000	100.0	29.4	13.2	9.5	-2.7	19.8	-2.0	32.8
\$ 20,000 -	\$ 25,000	100.0	36.6	10.9	10.3	-2.9	13.2	-5.1	37.1
\$ 25,000 -	\$ 35,000	100.0	43.0	13.7	18.1	-2.8	15.4	-24.4	37.0
\$ 35,000 -	\$ 50,000	100.0	32.9	13.7	12.7	-2.6	24.5	-23.8	42.6
\$ 50,000 -	\$ 100,000	100.0	32.0	12.2	28.2	-3.9	29.3	-16.1	18.4
\$ 100,000 -	and over	100.0	24.3	17.4	44.1	-0.6	22.9	-10.9	2.7
TOTAL		100.0	36.8	14.4	30.7	-2.9	20.2	-30.9	31.8

**Table A-15. Returns with Property Income Classified by Source of Income
1987 Individual Income Tax Returns Filed in 1988**

A. Number of Returns

Adjusted Gross Income Classes	Net Property Income	Interest Income	Dividend Income	Positive Capital Gains	Negative Capital Gains	Positive Schedule E Income	Negative Schedule E Income	Pension Income
Under \$ 5,000	147,388	137,009	37,366	18,683	14,531	8,304	16,607	41,518
\$ 5,000 - \$ 10,000	76,909	74,833	17,458	8,304	850	850	4,152	16,607
\$ 10,000 - \$ 15,000	117,436	109,472	34,270	23,720	10,039	12,490	8,304	30,898
\$ 15,000 - \$ 20,000	79,708	69,285	19,700	14,170	3,812	16,721	7,087	14,964
\$ 20,000 - \$ 25,000	79,222	74,021	16,623	8,552	4,471	6,951	7,151	13,642
\$ 25,000 - \$ 35,000	159,311	151,192	45,274	28,570	12,507	18,013	21,814	31,360
\$ 35,000 - \$ 50,000	149,202	141,734	49,814	28,052	10,197	14,220	21,685	35,231
\$ 50,000 - \$ 100,000	126,739	124,625	67,136	44,479	15,672	18,730	26,922	23,078
\$ 100,000 - and over	23,657	23,446	16,879	12,681	4,993	6,822	11,124	3,516
TOTAL	959,572	905,617	304,520	187,211	77,072	103,101	124,846	210,814

B. Percentage Distribution by Income Class

Adjusted Gross Income Classes	Net Property Income	Interest Income	Dividend Income	Positive Capital Gains	Negative Capital Gains	Positive Schedule E Income	Negative Schedule E Income	Pension Income
Under \$ 5,000	15.4	15.1	12.3	10.0	18.9	8.1	13.3	19.7
\$ 5,000 - \$ 10,000	8.0	8.3	5.7	4.4	1.1	0.8	3.3	7.9
\$ 10,000 - \$ 15,000	12.2	12.1	11.3	12.7	13.0	12.1	6.7	14.7
\$ 15,000 - \$ 20,000	8.3	7.7	6.5	7.6	4.9	16.2	5.7	7.1
\$ 20,000 - \$ 25,000	8.3	8.2	5.5	4.6	5.8	6.7	5.7	6.5
\$ 25,000 - \$ 35,000	16.6	16.7	14.9	15.3	16.2	17.5	17.5	14.9
\$ 35,000 - \$ 50,000	15.5	15.7	16.4	15.0	13.2	13.8	17.4	16.7
\$ 50,000 - \$ 100,000	13.2	13.8	22.0	23.8	20.3	18.2	21.6	10.9
\$ 100,000 - and over	2.5	2.6	5.5	6.8	6.5	6.6	8.9	1.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Source of Income

Adjusted Gross Income Classes	Net Property Income	Interest Income	Dividend Income	Positive Capital Gains	Negative Capital Gains	Positive Schedule E Income	Negative Schedule E Income	Pension Income
Under \$ 5,000	100.0	93.0	25.4	12.7	9.9	5.6	11.3	28.2
\$ 5,000 - \$ 10,000	100.0	97.3	22.7	10.8	1.1	1.1	5.4	21.6
\$ 10,000 - \$ 15,000	100.0	93.2	29.2	20.2	8.5	10.6	7.1	26.3
\$ 15,000 - \$ 20,000	100.0	86.9	24.7	17.8	4.8	21.0	8.9	18.8
\$ 20,000 - \$ 25,000	100.0	93.4	21.0	10.8	5.6	8.8	9.0	17.2
\$ 25,000 - \$ 35,000	100.0	94.9	28.4	17.9	7.9	11.3	13.7	19.7
\$ 35,000 - \$ 50,000	100.0	95.0	33.4	18.8	6.8	9.5	14.5	23.6
\$ 50,000 - \$ 100,000	100.0	98.3	53.0	35.1	12.4	14.8	21.2	18.2
\$ 100,000 - and over	100.0	99.1	71.3	53.6	21.1	28.8	47.0	14.9
TOTAL	100.0	94.4	31.7	19.5	8.0	10.7	13.0	22.0

Appendix B. Detailed Statistics of Income--Corporate Returns

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**Table B-1. Distribution of All Returns by Taxable Income Class
Colorado Corporation Income Tax Returns Filed in Fiscal Year 1988**

A. Dollar Amounts in Thousands

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Nontaxable Returns	41,200	(\$105,414,099)	(\$11,057,860)	\$0
Taxable Returns				
Under \$ 2,000	3,760	(138,145)	2,805	145
\$ 2,000 - \$ 10,000	5,334	7,752,962	27,344	1,413
\$ 10,000 - \$ 25,000	3,606	1,093,755	59,341	3,064
\$ 25,000 - \$ 50,000	2,626	2,374,689	95,188	4,914
\$ 50,000 - \$ 75,000	1,226	1,530,008	74,512	3,868
\$ 75,000 - \$ 100,000	626	2,803,263	54,285	2,825
\$ 100,000 - \$ 200,000	769	4,338,188	105,063	5,471
\$ 200,000 - \$ 500,000	517	10,802,595	160,452	8,373
\$ 500,000 and over	477	50,057,576	1,245,017	64,263
TOTAL TAXABLE	18,941	\$80,614,891	\$1,824,007	\$94,336
GRAND TOTAL	60,141	(\$24,799,208)	(\$9,233,853)	\$94,336

B. Percentage Distribution of Taxable Returns

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Taxable Returns				
Under \$ 2,000	19.9	-0.2	0.2	0.2
\$ 2,000 - \$ 10,000	28.2	9.6	1.5	1.5
\$ 10,000 - \$ 25,000	19.0	1.4	3.3	3.2
\$ 25,000 - \$ 50,000	13.9	2.9	5.2	5.2
\$ 50,000 - \$ 75,000	6.5	1.9	4.1	4.1
\$ 75,000 - \$ 100,000	3.3	3.5	3.0	3.0
\$ 100,000 - \$ 200,000	4.1	5.4	5.8	5.8
\$ 200,000 - \$ 500,000	2.7	13.4	8.8	8.9
\$ 500,000 and over	2.5	62.1	68.3	68.1
GRAND TOTAL	100.0	100.0	100.0	100.0

**Table B-2. Distribution of Intrastate Returns by Taxable Income Classes
Colorado Corporation Income Tax Returns Filed in Fiscal Year 1988**

A. Dollar Amounts in Thousands

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Nontaxable Returns	33,400	(\$4,179,558)	(\$5,696,293)	\$0
Taxable Returns				
Under \$ 2,000	3,040	(65,493)	2,323	120
\$ 2,000 - \$ 10,000	4,406	27,656	22,421	1,160
\$ 10,000 - \$ 25,000	3,006	49,446	48,704	2,521
\$ 25,000 - \$ 50,000	2,184	84,080	79,554	4,114
\$ 50,000 - \$ 75,000	1,017	143,782	61,304	3,192
\$ 75,000 - \$ 100,000	468	88,978	40,560	2,125
\$ 100,000 - \$ 200,000	471	59,078	63,222	3,322
\$ 200,000 - \$ 500,000	226	75,468	69,611	3,709
\$ 500,000 and over	149	2,199,062	286,034	14,890
TOTAL TAXABLE	14,967	\$2,662,057	\$673,733	\$35,153
GRAND TOTAL	48,367	(\$1,517,501)	(\$5,022,560)	\$35,153

B. Percentage Distribution of Taxable Returns

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Taxable Returns				
Under \$ 2,000	20.3	-2.5	0.3	0.3
\$ 2,000 - \$ 10,000	29.4	1.0	3.3	3.3
\$ 10,000 - \$ 25,000	20.1	1.9	7.2	7.2
\$ 25,000 - \$ 50,000	14.6	3.2	11.8	11.7
\$ 50,000 - \$ 75,000	6.8	5.4	9.1	9.1
\$ 75,000 - \$ 100,000	3.1	3.3	6.0	6.0
\$ 100,000 - \$ 200,000	3.1	2.2	9.4	9.5
\$ 200,000 - \$ 500,000	1.5	2.8	10.3	10.6
\$ 500,000 and over	1.0	82.6	42.5	42.4
GRAND TOTAL	100.0	100.0	100.0	100.0

**Table B-3. Distribution of Interstate Returns by Taxable Income Class
Colorado Corporation Income Tax Returns Filed in Fiscal Year 1988**

A. Dollar Amounts in Thousands

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Nontaxable Returns	7,800	(\$101,234,541)	(\$5,361,568)	\$0
Taxable Returns				
Under \$ 2,000	720	(72,652)	482	25
\$ 2,000 - \$ 10,000	928	7,725,306	4,924	252
\$ 10,000 - \$ 25,000	600	1,044,310	10,636	543
\$ 25,000 - \$ 50,000	442	2,290,608	15,635	800
\$ 50,000 - \$ 75,000	209	1,386,226	13,208	676
\$ 75,000 - \$ 100,000	158	2,714,284	13,725	700
\$ 100,000 - \$ 200,000	299	4,279,110	41,841	2,150
\$ 200,000 - \$ 500,000	291	10,727,127	90,842	4,664
\$ 500,000 and over	328	47,858,514	958,984	49,373
TOTAL TAXABLE	3,975	\$77,952,833	\$1,150,277	\$59,183
GRAND TOTAL	11,775	(\$23,281,708)	(\$4,211,291)	\$59,183

B. Percentage Distribution of Taxable Returns

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Taxable Returns				
Under \$ 2,000	18.1	-0.1	0.0	0.0
\$ 2,000 - \$ 10,000	23.3	9.9	0.4	0.4
\$ 10,000 - \$ 25,000	15.1	1.3	0.9	0.9
\$ 25,000 - \$ 50,000	11.1	2.9	1.4	1.4
\$ 50,000 - \$ 75,000	5.3	1.8	1.1	1.1
\$ 75,000 - \$ 100,000	4.0	3.5	1.2	1.2
\$ 100,000 - \$ 200,000	7.5	5.5	3.6	3.6
\$ 200,000 - \$ 500,000	7.3	13.8	7.9	7.9
\$ 500,000 and over	8.3	61.4	83.4	83.4
GRAND TOTAL	100.0	100.0	100.0	100.0

Table B-4. Distribution of Returns using the Two-Factor Formula by Taxable Income Classes
Colorado Corporation Income Tax Returns Filed in Fiscal Year 1988

A. Dollar Amounts in Thousands

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Nontaxable Returns	3,880	(\$30,599,776)	(\$2,806,038)	\$0
Taxable Returns				
Under \$ 2,000	340	109,551	243	12
\$ 2,000 - \$ 10,000	422	174,576	2,412	124
\$ 10,000 - \$ 25,000	246	487,020	4,321	221
\$ 25,000 - \$ 50,000	184	199,733	6,712	344
\$ 50,000 - \$ 75,000	66	116,797	4,050	208
\$ 75,000 - \$ 100,000	51	202,720	4,509	230
\$ 100,000 - \$ 200,000	100	733,963	14,240	735
\$ 200,000 - \$ 500,000	98	1,128,504	31,692	1,638
\$ 500,000 and over	122	6,407,309	341,368	17,729
TOTAL TAXABLE	1,629	\$9,560,173	\$409,547	\$21,241
GRAND TOTAL	5,509	(\$21,039,603)	(\$2,396,491)	\$21,241

B. Percentage Distribution of Taxable Returns

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Taxable Returns				
Under \$ 2,000	20.9	1.1	0.1	0.1
\$ 2,000 - \$ 10,000	25.9	1.8	0.6	0.6
\$ 10,000 - \$ 25,000	15.1	5.1	1.1	1.0
\$ 25,000 - \$ 50,000	11.3	2.1	1.6	1.6
\$ 50,000 - \$ 75,000	4.1	1.2	1.0	1.0
\$ 75,000 - \$ 100,000	3.1	2.1	1.1	1.1
\$ 100,000 - \$ 200,000	6.1	7.7	3.5	3.5
\$ 200,000 - \$ 500,000	6.0	11.8	7.7	7.7
\$ 500,000 and over	7.5	67.0	83.4	83.5
GRAND TOTAL	100.0	100.0	100.0	100.0

**Table B-5. Distribution of Returns Using the Three-Factor Formula by Taxable Income Classes
Colorado Corporation Income Tax Returns Filed in Fiscal Year 1988**

A. Dollar Amounts in Thousands

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Nontaxable Returns	3,880	(\$75,757,575)	(\$2,204,847)	\$0
Taxable Returns				
Under \$ 2,000	380	(182,203)	239	12
\$ 2,000 - \$ 10,000	506	7,550,730	2,511	129
\$ 10,000 - \$ 25,000	354	557,290	6,315	321
\$ 25,000 - \$ 50,000	258	2,090,876	8,922	455
\$ 50,000 - \$ 75,000	140	920,426	8,961	458
\$ 75,000 - \$ 100,000	104	2,061,721	8,955	457
\$ 100,000 - \$ 200,000	196	3,422,558	27,188	1,394
\$ 200,000 - \$ 500,000	192	9,581,577	58,901	3,013
\$ 500,000 and over	201	33,370,640	453,301	23,428
TOTAL TAXABLE	2,331	\$59,373,615	\$575,293	\$29,667
GRAND TOTAL	6,211	(\$16,383,960)	(\$1,629,554)	\$29,667

B. Percentage Distribution of Taxable Returns

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Taxable Returns				
Under \$ 2,000	16.3	-0.3	0.0	0.0
\$ 2,000 - \$ 10,000	21.7	12.7	0.4	0.4
\$ 10,000 - \$ 25,000	15.2	0.9	1.1	1.1
\$ 25,000 - \$ 50,000	11.1	3.5	1.6	1.5
\$ 50,000 - \$ 75,000	6.0	1.6	1.6	1.5
\$ 75,000 - \$ 100,000	4.5	3.5	1.6	1.5
\$ 100,000 - \$ 200,000	8.4	5.8	4.7	4.7
\$ 200,000 - \$ 500,000	8.2	16.1	10.2	10.2
\$ 500,000 and over	8.6	56.2	78.8	79.0
GRAND TOTAL	100.0	100.0	100.0	100.0

**Table B-6. Distribution of Returns Using Special Apportionment Methods by Taxable Income Classes
Colorado Corporation Income Tax Returns Filed In Fiscal Year 1988**

A. Dollar Amounts In Thousands

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Nontaxable Returns	40	\$5,122,810	(\$350,682)	\$0
Taxable Returns				
Under \$ 2,000	0	0	0	0
\$ 2,000 - \$ 10,000	0	0	0	0
\$ 10,000 - \$ 25,000	0	0	0	0
\$ 25,000 - \$ 50,000	0	0	0	0
\$ 50,000 - \$ 75,000	3	349,003	197	10
\$ 75,000 - \$ 100,000	3	449,843	261	13
\$ 100,000 - \$ 200,000	3	122,589	413	21
\$ 200,000 - \$ 500,000	1	17,047	248	12
\$ 500,000 and over	5	8,080,566	164,315	8,216
TOTAL TAXABLE	15	\$9,019,048	\$165,434	\$8,272
GRAND TOTAL	55	\$14,141,858	(\$185,248)	\$8,272

B. Percentage Distribution of Taxable Returns

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Taxable Returns				
Under \$ 2,000	0.0	0.0	0.0	0.0
\$ 2,000 - \$ 10,000	0.0	0.0	0.0	0.0
\$ 10,000 - \$ 25,000	0.0	0.0	0.0	0.0
\$ 25,000 - \$ 50,000	0.0	0.0	0.0	0.0
\$ 50,000 - \$ 75,000	20.0	3.9	0.1	0.1
\$ 75,000 - \$ 100,000	20.0	5.0	0.2	0.2
\$ 100,000 - \$ 200,000	20.0	1.4	0.2	0.3
\$ 200,000 - \$ 500,000	6.7	0.2	0.1	0.1
\$ 500,000 and over	33.3	89.6	99.3	99.3
GRAND TOTAL	100.0	100.0	100.0	100.0

**Table B-7. Distribution of Domestic Returns by Taxable Income Class
Colorado Corporation Income Tax Returns Filed in Fiscal Year 1988**

A. Dollar Amounts in Thousands

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Nontaxable Returns	32,220	(\$4,542,247)	(\$5,670,766)	\$0
Taxable Returns				
Under \$ 2,000	3,010	8,363	2,320	120
\$ 2,000 - \$ 10,000	4,402	34,277	22,617	1,171
\$ 10,000 - \$ 25,000	3,060	55,524	50,129	2,596
\$ 25,000 - \$ 50,000	2,210	52,314	80,373	4,159
\$ 50,000 - \$ 75,000	996	61,191	60,151	3,135
\$ 75,000 - \$ 100,000	464	39,254	40,157	2,105
\$ 100,000 - \$ 200,000	482	65,079	65,144	3,430
\$ 200,000 - \$ 500,000	239	118,038	73,646	3,930
\$ 500,000 and over	169	3,378,436	507,180	26,121
TOTAL TAXABLE	15,032	\$3,812,476	\$901,717	\$46,767
GRAND TOTAL	47,252	(\$729,771)	(\$4,769,049)	\$46,767

B. Percentage Distribution of Taxable Returns

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Taxable Returns				
Under \$ 2,000	20.0	0.2	0.3	0.3
\$ 2,000 - \$ 10,000	29.3	0.9	2.5	2.5
\$ 10,000 - \$ 25,000	20.4	1.5	5.6	5.6
\$ 25,000 - \$ 50,000	14.7	1.4	8.9	8.9
\$ 50,000 - \$ 75,000	6.6	1.6	6.7	6.7
\$ 75,000 - \$ 100,000	3.1	1.0	4.5	4.5
\$ 100,000 - \$ 200,000	3.2	1.7	7.2	7.3
\$ 200,000 - \$ 500,000	1.6	3.1	8.2	8.4
\$ 500,000 and over	1.1	88.6	56.2	55.9
GRAND TOTAL	100.0	100.0	100.0	100.0

**Table B-8. Distribution of Foreign Returns by Taxable Income Classes
Colorado Corporation Income Tax Returns Filed in Fiscal Year 1988**

A. Dollar Amounts in Thousands

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Nontaxable Returns	8,980	(\$100,871,852)	(\$5,387,095)	\$0
Taxable Returns				
Under \$ 2,000	750	(146,507)	485	25
\$ 2,000 - \$ 10,000	932	7,718,685	4,728	242
\$ 10,000 - \$ 25,000	546	1,038,231	9,212	468
\$ 25,000 - \$ 50,000	416	2,322,375	14,815	755
\$ 50,000 - \$ 75,000	230	1,468,817	14,361	733
\$ 75,000 - \$ 100,000	162	2,764,009	14,128	720
\$ 100,000 - \$ 200,000	287	4,273,109	39,919	2,042
\$ 200,000 - \$ 500,000	278	10,684,557	86,806	4,443
\$ 500,000 and over	308	46,679,140	737,837	38,142
TOTAL TAXABLE	3,909	\$76,802,416	\$922,291	\$47,570
GRAND TOTAL	12,889	(\$24,069,436)	(\$4,464,804)	\$47,570

B. Percentage Distribution of Taxable Returns

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
Taxable Returns				
Under \$ 2,000	19.2	-0.2	0.1	0.1
\$ 2,000 - \$ 10,000	23.8	10.1	0.5	0.5
\$ 10,000 - \$ 25,000	14.0	1.4	1.0	1.0
\$ 25,000 - \$ 50,000	10.6	3.0	1.6	1.6
\$ 50,000 - \$ 75,000	5.9	1.9	1.6	1.5
\$ 75,000 - \$ 100,000	4.1	3.6	1.5	1.5
\$ 100,000 - \$ 200,000	7.3	5.6	4.3	4.3
\$ 200,000 - \$ 500,000	7.1	13.9	9.4	9.3
\$ 500,000 and over	7.9	60.8	80.0	80.2
GRAND TOTAL	100.0	100.0	100.0	100.0

**Table B-9. Distribution of Number of Returns by Industry Classes and Taxable Income Classes
Colorado Corporation Income Tax Returns Filed in Fiscal Year 1988**

A. Number of Returns

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
NONTAXABLE RETURNS	940	2,060	4,100	3,500	1,440	8,040	8,280	12,840	41,200
TAXABLE RETURNS									
Under \$ 2,000	100	90	220	100	60	530	850	1,810	3,760
\$ 2,000 - \$ 10,000	120	146	496	320	96	1,168	962	2,026	5,334
\$ 10,000 - \$ 25,000	114	42	300	438	60	858	372	1,422	3,606
\$ 25,000 - \$ 50,000	94	42	234	238	70	628	286	1,034	2,626
\$ 50,000 - \$ 75,000	50	3	130	152	41	292	160	400	1,228
\$ 75,000 - \$ 100,000	23	8	59	101	17	171	66	183	628
\$ 100,000 - \$ 200,000	40	12	52	151	28	200	123	164	770
\$ 200,000 - \$ 500,000	13	13	35	139	23	123	86	85	517
\$ 500,000 and over	2	10	37	156	27	117	70	58	477
TOTAL TAXABLE	556	366	1,563	1,795	422	4,087	2,975	7,182	18,946
GRAND TOTAL	1,496	2,426	5,663	5,295	1,862	12,127	11,255	20,022	60,146

B. Percentage Distribution by Income Class

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
NONTAXABLE RETURNS	62.8	84.9	72.4	66.1	77.3	66.3	73.6	64.1	68.5
TAXABLE RETURNS									
Under \$ 2,000	6.7	3.7	3.9	1.9	3.2	4.4	7.6	9.0	6.3
\$ 2,000 - \$ 10,000	8.0	6.0	8.8	6.0	5.2	9.6	8.5	10.1	8.9
\$ 10,000 - \$ 25,000	7.6	1.7	5.3	8.3	3.2	7.1	3.3	7.1	6.0
\$ 25,000 - \$ 50,000	6.3	1.7	4.1	4.5	3.8	5.2	2.5	5.2	4.4
\$ 50,000 - \$ 75,000	3.3	0.1	2.3	2.9	2.2	2.4	1.4	2.0	2.0
\$ 75,000 - \$ 100,000	1.5	0.3	1.0	1.9	0.9	1.4	0.6	0.9	1.0
\$ 100,000 - \$ 200,000	2.7	0.5	0.9	2.9	1.5	1.6	1.1	0.8	1.3
\$ 200,000 - \$ 500,000	0.9	0.5	0.6	2.6	1.2	1.0	0.8	0.4	0.9
\$ 500,000 and over	0.1	0.4	0.7	2.9	1.5	1.0	0.6	0.3	0.8
TOTAL TAXABLE	37.2	15.1	27.6	33.9	22.7	33.7	26.4	35.9	31.5
GRAND TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Industry Class

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
NONTAXABLE RETURNS	2.3	5.0	10.0	8.5	3.5	19.5	20.1	31.2	100.0
TAXABLE RETURNS									
Under \$ 2,000	2.7	2.4	5.9	2.7	1.6	14.1	22.6	48.1	100.0
\$ 2,000 - \$ 10,000	2.2	2.7	9.3	6.0	1.8	21.9	18.0	38.0	100.0
\$ 10,000 - \$ 25,000	3.2	1.2	8.3	12.1	1.7	23.8	10.3	39.4	100.0
\$ 25,000 - \$ 50,000	3.6	1.6	8.9	9.1	2.7	23.9	10.9	39.4	100.0
\$ 50,000 - \$ 75,000	4.1	0.2	10.6	12.4	3.3	23.8	13.0	32.6	100.0
\$ 75,000 - \$ 100,000	3.7	1.3	9.4	16.1	2.7	27.2	10.5	29.1	100.0
\$ 100,000 - \$ 200,000	5.2	1.6	6.8	19.6	3.6	26.0	16.0	21.3	100.0
\$ 200,000 - \$ 500,000	2.5	2.5	6.8	26.9	4.4	23.8	16.6	16.4	100.0
\$ 500,000 and over	0.4	2.1	7.8	32.7	5.7	24.5	14.7	12.2	100.0
TOTAL TAXABLE	2.9	1.9	8.2	9.5	2.2	21.6	15.7	37.9	100.0
GRAND TOTAL	2.5	4.0	9.4	8.8	3.1	20.2	18.7	33.3	100.0

**Table B-10. Distribution of Federal Taxable Income of All Returns by Industry Classes and Taxable Income Classes
Colorado Corporation Income Tax Returns Filed in Fiscal Year 1988**

A. Dollar Amounts in Thousands

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Utilities	Transport. and Retail Trade	Wholesale and Real Estate	Finance & Insurance	Services and Not Classified	Total
NONTAXABLE RETURNS	\$896,934	(\$14,475,744)	(\$1,618,602)	(\$41,412,748)	(\$4,351,725)	(\$13,299,055)	(\$12,515,865)	(\$18,646,296)	(\$105,414,101)	
TAXABLE RETURNS										
Under \$ 2,000	1,027	(34,301)	129,913	6,890	6,074	36,031	105,074	(388,852)	(138,144)	
\$ 2,000 - \$ 10,000	597	4,911,174	9,288	791,970	764	491,246	143,147	1,404,776	7,752,962	
\$ 10,000 - \$ 25,000	1,524	9,056	12,757	612,247	12,259	184,326	416,464	(154,877)	1,093,756	
\$ 25,000 - \$ 50,000	4,249	(34,635)	33,046	1,731,757	45,617	298,501	93,109	203,045	2,374,689	
\$ 50,000 - \$ 75,000	2,963	6,575	10,034	789,420	149,622	730,118	(669,749)	511,025	1,530,008	
\$ 75,000 - \$ 100,000	9,740	(52,848)	36,251	1,890,589	165,848	193,894	66,470	493,318	2,803,262	
\$ 100,000 - \$ 200,000	6,904	(208,484)	33,964	2,351,319	257,357	1,130,710	144,472	619,946	4,338,188	
\$ 200,000 - \$ 500,000	4,321	199,913	117,416	5,016,316	722,764	2,429,974	830,661	1,481,231	10,802,596	
\$ 500,000 and over	2,155	748,720	250,492	24,623,560	5,332,436	14,623,151	2,634,423	1,842,638	50,067,575	
TOTAL TAXABLE	\$35,480	\$5,545,170	\$633,161	\$37,814,068	\$6,692,741	\$20,117,951	\$3,764,071	\$8,012,250	\$80,614,892	
GRAND TOTAL	\$931,414	(\$8,930,574)	(\$985,441)	(\$3,598,680)	\$2,341,016	\$6,828,896	(\$8,751,794)	(\$12,634,046)	(\$24,799,209)	

B. Percentage Distribution by Income Class

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Utilities	Transport. and Retail Trade	Wholesale and Real Estate	Finance & Insurance	Services and Not Classified	Total
TAXABLE RETURNS										
Under \$ 2,000	2.9	-0.6	20.5	0.0	0.1	0.2	2.8	-6.5	-0.2	
\$ 2,000 - \$ 10,000	1.7	88.6	1.5	2.1	0.0	2.4	3.8	23.4	9.6	
\$ 10,000 - \$ 25,000	4.3	0.2	2.0	1.6	0.2	0.9	11.1	-2.6	1.4	
\$ 25,000 - \$ 50,000	12.0	-0.6	5.2	4.6	0.7	1.5	2.5	3.4	2.9	
\$ 50,000 - \$ 75,000	8.4	0.1	1.6	2.1	2.2	3.6	-17.8	8.5	1.9	
\$ 75,000 - \$ 100,000	27.5	-1.0	5.7	5.0	2.5	1.0	1.8	8.2	3.5	
\$ 100,000 - \$ 200,000	25.1	-3.8	5.4	6.2	3.8	5.6	3.8	10.3	5.4	
\$ 200,000 - \$ 500,000	12.2	3.6	18.5	13.3	10.8	12.1	22.1	24.6	13.4	
\$ 500,000 and over	6.1	13.5	39.6	65.1	79.7	72.7	70.0	30.6	62.1	
TOTAL TAXABLE	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Industry Class

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Utilities	Transport. and Retail Trade	Wholesale and Real Estate	Finance & Insurance	Services and Not Classified	Total
TAXABLE RETURNS										
Under \$ 2,000	-0.7	24.8	-94.0	-5.0	-4.4	-26.1	-76.1	281.5	100.0	
\$ 2,000 - \$ 10,000	0.0	63.3	0.1	10.2	0.0	6.3	1.8	18.1	100.0	
\$ 10,000 - \$ 25,000	0.1	0.8	1.2	56.0	1.1	16.9	38.1	-14.2	100.0	
\$ 25,000 - \$ 50,000	0.2	-1.5	1.4	72.9	1.9	12.6	3.9	8.6	100.0	
\$ 50,000 - \$ 75,000	0.2	0.4	0.7	51.6	9.8	47.7	-43.8	33.4	100.0	
\$ 75,000 - \$ 100,000	0.3	-1.9	1.3	67.4	5.9	6.9	2.4	17.6	100.0	
\$ 100,000 - \$ 200,000	0.2	-4.8	0.8	54.2	5.9	26.1	3.3	14.3	100.0	
\$ 200,000 - \$ 500,000	0.0	1.9	1.1	46.4	6.7	22.5	7.7	13.7	100.0	
\$ 500,000 and over	0.0	1.5	0.5	49.2	10.7	29.2	5.3	3.7	100.0	
TOTAL TAXABLE	0.0	6.9	0.8	46.9	8.3	25.0	4.7	7.5	100.0	

Table B-11. Distribution of Colorado Taxable Income of All Returns by Industry Classes and Taxable Income Classes
Colorado Corporation Income Tax Returns Filed in Fiscal Year 1988

A. Dollar Amounts in Thousands

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Utilities	Transport. and Retail	Wholesale and Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
NONTAXABLE RETURNS	(\$221,482)	(\$1,712,233)	(\$533,818)	(\$2,384,136)	(\$277,350)	(\$877,179)	(\$4,124,346)	(\$927,318)	(\$11,057,862)	
TAXABLE RETURNS										
Under \$ 2,000	57	62	178	80	25	388	525	1,490	2,805	
\$ 2,000 - \$ 10,000	603	1,019	2,401	1,813	517	5,996	4,628	10,367	27,344	
\$ 10,000 - \$ 25,000	1,665	686	4,839	7,581	1,129	14,200	5,769	23,471	59,340	
\$ 25,000 - \$ 50,000	3,542	1,362	8,679	8,638	2,749	22,723	10,212	37,285	95,190	
\$ 50,000 - \$ 75,000	2,961	204	8,020	9,610	2,385	17,918	9,630	23,785	74,513	
\$ 75,000 - \$ 100,000	1,943	648	5,063	8,781	1,454	14,791	5,863	15,745	54,286	
\$ 100,000 - \$ 200,000	5,713	1,700	6,857	20,589	3,646	27,336	16,922	22,099	105,062	
\$ 200,000 - \$ 500,000	4,427	3,932	10,757	43,679	7,584	38,148	26,288	25,637	160,452	
\$ 500,000 and over	1,893	13,264	64,794	371,082	255,081	300,402	119,067	119,434	1,245,017	
TOTAL TAXABLE	\$22,804	\$22,875	\$111,588	\$471,853	\$274,770	\$441,902	\$198,904	\$279,313	\$1,824,009	
GRAND TOTAL	(\$198,678)	(\$1,689,358)	(\$422,230)	(\$1,912,283)	(\$2,580)	(\$435,277)	(\$3,925,442)	(\$648,005)	(\$9,233,853)	

B. Percentage Distribution by Income Class

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Utilities	Transport. and Retail	Wholesale and Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
TAXABLE RETURNS										
Under \$ 2,000	0.2	0.3	0.2	0.0	0.0	0.1	0.3	0.5	0.2	
\$ 2,000 - \$ 10,000	2.6	4.5	2.2	0.4	0.2	1.4	2.3	3.7	1.5	
\$ 10,000 - \$ 25,000	7.3	3.0	4.3	1.6	0.4	3.2	2.9	8.4	3.3	
\$ 25,000 - \$ 50,000	15.5	6.0	7.8	1.8	1.0	5.1	5.1	13.3	5.2	
\$ 50,000 - \$ 75,000	13.0	0.9	7.2	2.0	0.9	4.1	4.8	8.5	4.1	
\$ 75,000 - \$ 100,000	8.5	2.8	4.5	1.9	0.5	3.3	2.9	5.6	3.0	
\$ 100,000 - \$ 200,000	25.1	7.4	6.1	4.4	1.4	6.2	8.5	7.9	5.8	
\$ 200,000 - \$ 500,000	19.4	17.2	9.6	9.3	2.8	8.6	13.2	9.2	8.8	
\$ 500,000 and over	8.3	58.0	58.1	78.6	92.8	68.0	59.9	42.8	68.3	
TOTAL TAXABLE	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Industry Class

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Utilities	Transport. and Retail	Wholesale and Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
TAXABLE RETURNS										
Under \$ 2,000	2.0	2.2	6.3	2.9	0.9	13.8	18.7	53.1	100.0	
\$ 2,000 - \$ 10,000	2.2	3.7	8.8	6.6	1.9	21.9	16.9	37.9	100.0	
\$ 10,000 - \$ 25,000	2.8	1.2	8.2	12.8	1.9	23.9	9.7	39.6	100.0	
\$ 25,000 - \$ 50,000	3.7	1.4	9.1	9.1	2.9	23.9	10.7	39.2	100.0	
\$ 50,000 - \$ 75,000	4.0	0.3	10.8	12.9	3.2	24.0	12.9	31.9	100.0	
\$ 75,000 - \$ 100,000	3.6	1.2	9.3	16.2	2.7	27.2	10.8	29.0	100.0	
\$ 100,000 - \$ 200,000	5.4	1.6	6.5	19.6	3.7	26.0	16.1	21.0	100.0	
\$ 200,000 - \$ 500,000	2.8	2.5	6.7	27.2	4.7	23.8	16.4	16.0	100.0	
\$ 500,000 and over	0.2	1.1	5.2	29.8	20.5	24.1	9.6	9.6	100.0	
TOTAL TAXABLE	1.3	1.3	6.1	25.9	15.1	24.2	10.9	15.3	100.0	

Table B-12. Distribution of Colorado Tax by Industry Classes and Taxable Income Classes
Colorado Corporation Income Tax Returns Filed in Fiscal Year 1988

A. Dollar Amounts in Thousands

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance and Insurance & Real Estate	Services and Not Classified	Total
NONTAXABLE RETURNS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAXABLE RETURNS									
Under \$ 2,000	3	3	9	4	1	20	27	77	144
\$ 2,000 - \$ 10,000	31	53	124	93	27	307	238	539	1,412
\$ 10,000 - \$ 25,000	87	35	251	390	57	732	297	1,215	3,064
\$ 25,000 - \$ 50,000	184	70	447	442	144	1,172	526	1,929	4,914
\$ 50,000 - \$ 75,000	155	10	418	499	122	932	496	1,235	3,867
\$ 75,000 - \$ 100,000	103	34	264	452	74	769	301	829	2,826
\$ 100,000 - \$ 200,000	302	88	358	1,071	198	1,429	872	1,153	5,471
\$ 200,000 - \$ 500,000	239	204	557	2,264	401	2,000	1,378	1,329	8,372
\$ 500,000 and over	111	663	3,397	19,225	12,802	15,731	6,043	6,290	64,262
TOTAL TAXABLE	\$1,215	\$1,160	\$5,825	\$24,440	\$13,826	\$23,092	\$10,178	\$14,596	\$94,332
GRAND TOTAL	\$1,215	\$1,160	\$5,825	\$24,440	\$13,826	\$23,092	\$10,178	\$14,596	\$94,332

B. Percentage Distribution by Income Class

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance and Insurance & Real Estate	Services and Not Classified	Total
TAXABLE RETURNS									
Under \$ 2,000	0.2	0.3	0.2	0.0	0.0	0.1	0.3	0.5	0.2
\$ 2,000 - \$ 10,000	2.6	4.6	2.1	0.4	0.2	1.3	2.3	3.7	1.5
\$ 10,000 - \$ 25,000	7.2	3.0	4.3	1.6	0.4	3.2	2.9	8.3	3.2
\$ 25,000 - \$ 50,000	15.1	6.0	7.7	1.8	1.0	5.1	5.2	13.2	5.2
\$ 50,000 - \$ 75,000	12.8	0.9	7.2	2.0	0.9	4.0	4.9	8.5	4.1
\$ 75,000 - \$ 100,000	8.5	2.9	4.5	1.8	0.5	3.3	3.0	5.7	3.0
\$ 100,000 - \$ 200,000	24.9	7.6	6.1	4.4	1.4	6.2	8.6	7.9	5.8
\$ 200,000 - \$ 500,000	19.7	17.6	9.6	9.3	2.9	8.7	13.5	9.1	8.9
\$ 500,000 and over	9.1	57.2	58.3	78.7	92.6	68.1	59.4	43.1	68.1
TOTAL TAXABLE	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

C. Percentage Distribution by Industry Class

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance and Insurance & Real Estate	Services and Not Classified	Total
TAXABLE RETURNS									
Under \$ 2,000	2.1	2.1	6.3	2.8	0.7	13.9	18.8	53.5	100.0
\$ 2,000 - \$ 10,000	2.2	3.8	8.8	6.6	1.9	21.7	16.9	38.2	100.0
\$ 10,000 - \$ 25,000	2.8	1.1	8.2	12.7	1.9	23.9	9.7	39.7	100.0
\$ 25,000 - \$ 50,000	3.7	1.4	9.1	9.0	2.9	23.9	10.7	39.3	100.0
\$ 50,000 - \$ 75,000	4.0	0.3	10.8	12.9	3.2	24.1	12.8	31.9	100.0
\$ 75,000 - \$ 100,000	3.6	1.2	9.3	16.0	2.6	27.2	10.7	29.3	100.0
\$ 100,000 - \$ 200,000	5.5	1.6	6.5	19.6	3.6	26.1	15.9	21.1	100.0
\$ 200,000 - \$ 500,000	2.9	2.4	6.7	27.0	4.8	23.9	16.5	15.9	100.0
\$ 500,000 and over	0.2	1.0	5.3	29.9	19.9	24.5	9.4	9.8	100.0
TOTAL TAXABLE	1.3	1.2	6.2	25.9	14.7	24.5	10.8	15.5	100.0

**Table B-13. Distribution of All Returns by Tax Classes
Colorado Corporation Income Tax Returns Filed in Fiscal Year 1988**

A. Dollar Amounts in Thousands

Colorado Tax Class	All Returns		Intrastate Returns		Interstate Returns	
	Number	Colorado Tax	Number	Colorado Tax	Number	Colorado Tax
Nontaxable Returns	41,200	\$0	33,400	\$0	7,800	\$0
Taxable Returns						
Under \$ 100	3,720	140	3,000	115	720	25
\$ 100 - \$ 250	2,860	474	2,430	406	430	68
\$ 250 - \$ 500	2,370	869	1,890	694	480	175
\$ 500 - \$ 1,000	2,742	1,993	2,352	1,700	390	293
\$ 1,000 - \$ 1,500	1,542	1,887	1,212	1,485	330	402
\$ 1,500 - \$ 2,500	1,964	3,844	1,636	3,218	328	626
\$ 2,500 - \$ 5,000	1,894	6,577	1,526	5,224	368	1,352
\$ 5,000 - \$ 10,000	833	5,687	530	3,546	303	2,141
\$ 10,000 - \$ 25,000	520	8,088	230	3,547	290	4,541
\$ 25,000 - \$ 50,000	227	8,054	88	3,127	139	4,927
\$ 50,000 and over	269	56,722	73	12,090	196	44,632
TOTAL TAXABLE	18,941	\$94,335	14,967	\$35,152	3,974	\$59,182
GRAND TOTAL	60,141	\$94,335	48,367	\$35,152	11,774	\$59,182

B. Percentage Distribution of Taxable Returns

Colorado Tax Class	All Returns		Intrastate Returns		Interstate Returns	
	Number	Colorado Tax	Number	Colorado Tax	Number	Colorado Tax
Taxable Returns						
Under \$ 100	19.6	0.1	20.0	0.3	18.1	0.0
\$ 100 - \$ 250	15.1	0.5	16.2	1.2	10.8	0.1
\$ 250 - \$ 500	12.5	0.9	12.6	2.0	12.1	0.3
\$ 500 - \$ 1,000	14.5	2.1	15.7	4.8	9.8	0.5
\$ 1,000 - \$ 1,500	8.1	2.0	8.1	4.2	8.3	0.7
\$ 1,500 - \$ 2,500	10.4	4.1	10.9	9.2	8.3	1.1
\$ 2,500 - \$ 5,000	10.0	7.0	10.2	14.9	9.3	2.3
\$ 5,000 - \$ 10,000	4.4	6.0	3.5	10.1	7.6	3.6
\$ 10,000 - \$ 25,000	2.7	8.6	1.5	10.1	7.3	7.7
\$ 25,000 - \$ 50,000	1.2	8.5	0.6	8.9	3.5	8.3
\$ 50,000 and over	1.4	60.1	0.5	34.4	4.9	75.4
TOTAL TAXABLE	100.0	100.0	100.0	100.0	100.0	100.0

APPENDIX C

Descriptions and Limitations of the Statistical Samples

The final individual income sample consisted of 3,020 returns drawn from a universe of just over 1.3 million returns. The sample was stratified on the basis of Colorado taxable income. This was the only income variable on the Colorado income tax return. Seven strata were utilized. The original sampling ratios ranged from one of every 40 returns in the highest taxable income stratum to one of every 2,000 returns for the lowest stratum. The eventual blowup factors for each return were adjusted for the approximately 100 non-respondents.

Table C-1 presents the raw and blown-up count of returns, the estimated Colorado adjusted income and gross tax, and the statistical reliability of each variable. For example, the sampling error (expressed as the standard error of the mean divided by the sample mean) for Colorado income tax in the second strata is 1.28 percent. The implications of this accuracy level are that there is a 95% probability that the estimated Colorado income tax of \$63.8 million in this strata would not differ by more than 2.5 percent in either direction. The overall sampling errors for adjusted gross income and gross tax liability were 0.83 percent and 0.02 percent, respectively.

The corporate income sample contained 8,726 returns. This sample was stratified using Colorado income tax. The overall sampling error for corporate income tax was 0.09 percent. Table C-2 contains the relevant statistical information.

Each sample was carefully controlled with a series of programmed computer checks to correct taxpayer and transcriber errors. As a result, it is felt that a complete tabulation of all tax returns would not yield significantly better data.

Table C-1. Statistical Reliability of the Individual Income Tax Sample

<u>Taxable Income Strata</u>	<u>Number in Sample</u>	<u>Number of Returns</u>	<u>Estimated Number and Dollar Amounts</u>			
			<u>Adjusted Gross Income</u>		<u>Normal Tax Liability</u>	
			<u>Dollar Amount (\$000)</u>	<u>Sampling Error (Percent)</u>	<u>Dollar Amount (\$000)</u>	<u>Sampling Error (Percent)</u>
Less than \$5,000	237	491,888	\$3,218,995	5.71	\$27,864	8.20
\$5,001 - \$10,000	203	172,631	2,525,634	2.21	63,834	1.29
\$10,001 - \$15,000	361	148,010	3,228,509	1.47	92,014	0.62
\$15,001 - \$25,000	771	223,667	6,853,422	0.79	217,630	0.52
\$25,001 - \$45,000	746	189,260	9,023,221	0.69	311,569	0.60
\$45,001 - \$100,000	385	65,142	5,219,242	1.26	196,747	1.22
\$100,001 and over	<u>317</u>	<u>12,997</u>	<u>3,194,535</u>	<u>5.04</u>	<u>131,698</u>	<u>5.29</u>
Total	3,020	1,303,697	\$33,263,553	0.83	\$1,041,356	0.02

Table C-2. Statistical Reliability of the Corporate Income Sample

<u>Size of Tax</u>	<u>Number in Sample¹</u>	<u>Number of Returns</u>	<u>Tax Liability (\$000)</u>	<u>Sampling Error (Percent)</u>
\$0	2,062	41,240	\$0	0.00
\$1 to \$500	891	8,910	1,484	2.69
\$501 to \$1,500	714	4,284	3,880	1.04
\$1,501 to \$3,000	654	2,616	5,628	0.67
\$3,000 to \$10,000	1,383	2,075	10,479	0.54
\$10,000 and over	<u>1,016</u>	<u>1,016</u>	<u>72,864</u>	<u>0.00</u>
Total	6,720	60,141	\$94,335	0.09

¹ Statistical Measures compiled only for corporations subject to tax.