



**FACT SHEET**  
**April 15, 2010**

## **Some perspective on Tax Day 2010**

Nobody loves paying taxes, but complaints that Colorado residents pay sky-high taxes or that tax rates are higher than ever are off-base. Here are some facts to help put the issues in perspective on Tax Day. More detail is available on the Colorado Fiscal Policy Institute's Web site, [www.cclponline.org](http://www.cclponline.org).

- Nearly every working person benefitted from \$288 billion in tax cuts that were part of the American Recovery and Reinvestment Act of 2009, commonly known as the Recovery Act. The benefits included expansions of tax credits that help lift working families out of poverty such as the Earned Income Tax Credit.
- Tax cuts in the Recovery Act reached 98 percent of working Americans in 2009, according to a new study by Citizens for Tax Justice. The average benefit in Colorado was \$1,096.
- Tax cuts in the Recovery Act cut across income brackets. The Making Work Pay credit, for example, benefitted families with incomes of up to \$150,000, and families with higher incomes could be eligible for partial credits. The Making Work Pay tax credit is responsible for \$751 million in economic output in Colorado and 5,473 jobs, according to analysis by the Colorado Fiscal Policy Institute.
- The federal Earned Income Tax Credit, which was expanded under the Recovery Act, is responsible for \$577 million in economic output in Colorado and 4,166 jobs, the Fiscal Policy Institute's analysis found. Colorado's state Earned Income Tax Credit is dormant because lawmakers have declined to fund it.
- Colorado residents are not heavily taxed – combined state and local taxes per \$1,000 of personal income were fifth-lowest in the nation according to a 2009 study by the nonpartisan state Legislative Council. Nor is Colorado a high-spending state. The state ranks 45<sup>th</sup>-lowest in the nation for overall state spending per capita, 49<sup>th</sup> in state spending per capita on health care for the poor, 48<sup>th</sup> in state spending per capita on higher education and 48<sup>th</sup> in state spending per capita on highways, according to the Fiscal Policy Institute's research.

The Colorado Fiscal Policy Institute is a project of the Colorado Center on Law and Policy, a nonprofit, nonpartisan research and advocacy organization seeking justice and economic security for all Coloradans.