



COLORADO FISCAL
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New studies find broad tax benefits for Colorado from the federal Recovery Act

Federal legislation designed to jumpstart the nation's economy has yielded huge benefits for Colorado, particularly for low- and middle-income taxpayers, according to new research by the Colorado Fiscal Policy Institute.

The institute's tax policy analyst, Ali Mickelson, examined tax provisions in the American Recovery and Reinvestment Act, commonly known as the Recovery Act. Today, the institute released four Mickelson-authored reports that detail how the tax provisions have benefitted nearly every resident of Colorado.

"The tax provisions in the Recovery Act have lifted tens of thousands of Coloradans out of poverty or prevented them from falling into poverty in the first place," Mickelson said. "The benefits also cross income levels – 98 percent of the nation saw some tax benefit. That was an essential part of lifting our nation and Colorado out of economic recession."

The research adds important context for Colorado taxpayers as the deadline to file tax returns is tomorrow, April 15. Many people have much lower tax liabilities this year because of the Recovery Act.

Mickelson's centerpiece report, "The tax benefits of the American Recovery and Reinvestment Act of 2009," includes detailed looks at the benefits in several local areas including Weld, Adams, Denver, El Paso, Pueblo and Mesa counties.

The reports are posted on a new Web page created by the Fiscal Policy Institute devoted to examining effects of the recovery act, www.cclponline.org/recoveryact.php.

The studies are also especially relevant because they come on the heels of new findings by the Colorado Children's Campaign that Colorado has the nation's fastest-growing rate of child poverty. The Recovery Act included provisions that strengthen several key programs that are highly effective at combating poverty, including the Making Work Pay tax credit, the Earned Income Tax Credit and the Additional Child Tax Credit.

The Fiscal Policy Institute's reports issued today include:

- *“The tax benefits of the American Recovery and Reinvestment Act of 2009,”* which offers a detailed breakdown of how tax provisions in the Recovery Act benefitted individuals, families, businesses and public investments.
- *“The economic impact of the Making Work Pay tax credit in Colorado,”* which finds the credit is responsible for \$751 million in economic activity throughout Colorado and 5,473 new jobs.
- *“The economic impact of the Child Tax Credit in Colorado,”* which shows the credit is the largest federal tax provision benefiting children.
- *“The economic impact of the Earned Income Tax Credit in Colorado,”* which finds the credit is responsible for \$577 million in economic activity throughout Colorado and \$4,166 new jobs.

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.