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Are Colorado's corporations paying their fair share? **Only 40 percent of CO companies pay income tax; Fiscal transparency needed**

Denver, CO—As the House Finance Committee prepares to hear H.B. 1380 on Wednesday, a coalition of advocacy groups and labor unions is raising questions about the corporate tax system in Colorado. These questions include whether corporations are pulling their weight, and how is that impacting working families? An amendment will be offered on the bill that would help increase transparency on corporate taxes in Colorado, and ensure that policymakers and citizens alike have the necessary information to make good decisions when it comes to tax policies.

“Corporate income tax is already incredibly low in Colorado, particularly when compared to what individuals and families pay,” said **Carol Hedges, Senior Fiscal Analyst at the Colorado Fiscal Policy Institute (COFPI)**. “As citizens who have a unique role in shaping tax policy in this state, we know startlingly little about the corporate income tax system, and that should change, for everyone’s benefit.”

Right now, Colorado ranks 43rd among all states in corporate tax collections per \$1000 of personal income. Colorado generated only \$1.51 per \$1000, while the national average is \$3.34. Just 40 percent of corporations that file state income tax returns pay state income taxes, compared to 78 percent of all individual’s income tax filers. Additionally, Colorado’s corporate income tax made up only 3.3 percent of total tax revenue in 2004, while corporations received \$41 million in corporate income tax credits.

“It’s hard to look at corporate taxes in this state and not wonder if big corporations are putting in their fair share, while a greater burden is falling on the backs of working families in Colorado,” added Hedges.

H.B. 1380 would change the corporate income tax system to apportion income solely on the basis of their sales, known as Single Sales Factor. The amount of property a corporation owns in Colorado and its in-state payroll would no longer be a factor. Switching to Single Sales Factor would benefit a specific kind of corporation, in particular corporations with high out-of-state sales, and low in-state property ownership and payroll. Who then does it harm?

“Colorado needs a more transparent corporate tax system, so that we can make good decisions about which policies to pursue and to ensure that we have a fair tax system in our state,” said **Rep. John Kefalas (Fort Collins)**, who sits on the House Finance Committee.

The amendment being offered would collect categorized tax data that companies are already required to report, without disclosing actual company names.

H.B. 1380 will be considered in House Finance Committee on Wednesday, April 9th in the Legislative Services Building, Hearing Room A. Hearing begins at 1:30pm, and H.B. 1380 is the second bill up.

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