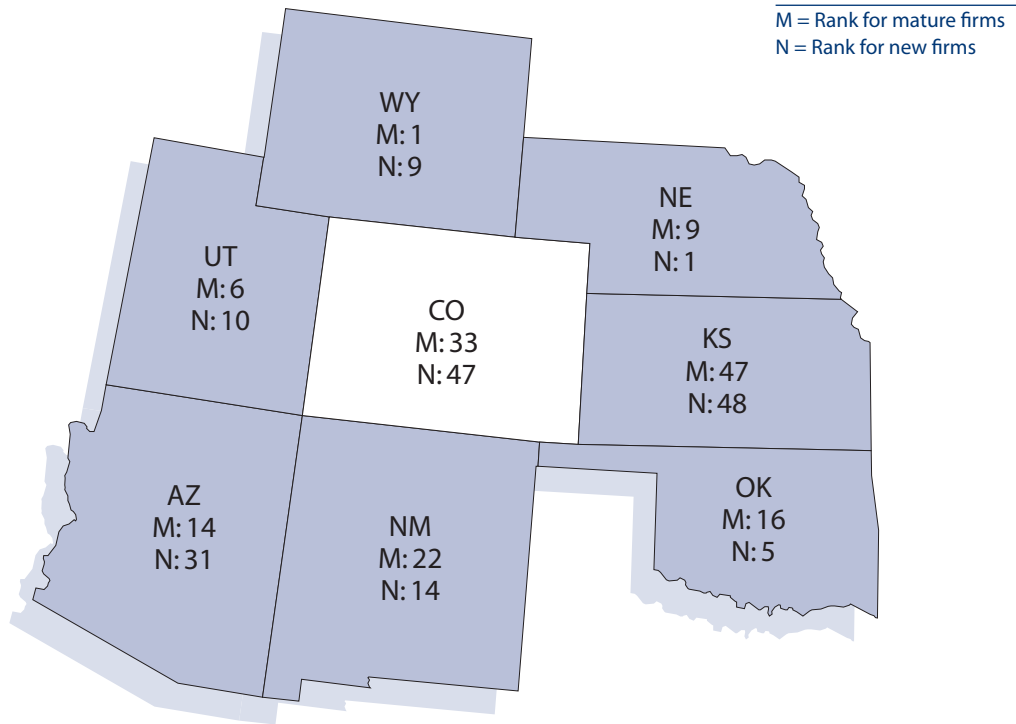


## Colorado



Colorado ranks 33rd overall for mature operations and 47th overall for newly established operations. Specifically:

- Colorado ranks 19th for the mature retail firm, which has a total effective tax rate (TETR) of 15.4 percent, about 9 percent below the national average. This is the only firm type for which Colorado is in the top half of states. This firm type is helped by Colorado's low, flat corporate income tax rate and moderate unemployment insurance (UI) tax burden.
- The state also ranks above average (20th) for mature corporate offices, helped by the low corporate income and UI tax burdens.
- Colorado ranks 39th for mature capital-intensive manufacturing with a TETR of 15.5 percent, 22 percent above the national average. The biggest contributor to this ranking is the firm's high property tax burden, which is among the 10 highest in the nation for this type of operation.
- For newly established firms, Colorado ranks 47th for the labor-intensive manufacturing firm. This firm has a TETR of 16.7 percent, which is 43 percent above the national average. The property tax burden for this firm type is over twice the national average and represents over half the firm's state tax burden.
- For similar reasons, the state ranks 45th for new capital-intensive manufacturing. Colorado's property tax abatement for new firms is relatively small.
- Despite exempting manufacturing machinery from sales taxes, Colorado nevertheless ranks below average for all manufacturing firm types.

## Colorado

### Corporate income tax

Main tax rate	4.630%
Applies to income over	–
Specific adjustments:	
- s.199 deduction allowed	

Apportionment	Property	Payroll	Sales
Standard factors	–	–	100.0%
Optional alternative	n/a	n/a	n/a
Throwback applies to tangible property sales			Yes
Interstate services income apportionment			IPA

### Sales and property tax

Metro areas examined		Sales tax	Property tax			
			Main rate <sup>a</sup>	Land	Buildings	Equipment
Tier 1	Denver	7.270%	2.400%	2.400%	2.400%	–
Tier 2	Fort Collins	7.550%	2.666%	2.666%	2.666%	–

a. Manufacturing machinery is exempt from sales tax

### Other taxes

Unemployment insurance		State capital tax		Gross receipts tax			Local income tax
Rate	Max. pay			Mfg.	Services	Retail	
2.52%	\$10,000	n/a	Tier 1	n/a	n/a	n/a	n/a
			Tier 2	n/a	n/a	n/a	n/a

### Incentives for newly established operations

Type	Incentive value	MC	ML	CC	DC	CO	RD	RT
Investment	1% of eligible capital investment to \$1,000 max.	✓	✓	✓	✓	✓	✓	
Job creation	3.725% of new payroll x 1 year	✓	✓	✓	✓	✓	✓	
Withholdings	n/a							
R&D	n/a							
Property tax	17.5% abatement x 10 years	✓	✓	✓	✓	✓	✓	

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

### Results

	Newly established operations								Mature operations									
	Tier 2 operations				Tier 1 operations				AVG	Tier 2 operations				Tier 1 operations				AVG
	MC	ML	CC	DC	CO	RD	RT	MC		ML	CC	DC	CO	RD	RT			
TETR	21.8%	16.7%	29.9%	46.6%	18.3%	20.7%	35.6%		15.5%	12.2%	20.8%	35.6%	14.3%	14.7%	15.4%			
Index	191.6	142.9	120.0	128.8	112.9	140.5	109.2	<b>135.1</b>	121.9	104.5	98.9	116.0	90.9	114.2	91.2	<b>105.4</b>		
Rank	45	47	34	40	34	40	34	<b>47</b>	39	31	26	38	20	36	19	<b>33</b>		

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store