

# ITEP ANALYSIS OF TCJA IN COLORADO

All State Residents, 2018 Incomes

2018 Income	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Income	Less than	\$24,000 –	\$44,000 –	\$70,000 –	\$120,000 –	\$260,000 –	\$646,000 –
Range	\$24,000	\$44,000	\$70,000	\$120,000	\$260,000	\$646,000	Or More
Average Income in Group	\$15,000	\$34,000	\$56,000	\$90,000	\$167,000	\$403,000	\$1,734,000

## Change in Colorado Residents' Federal Taxes (Personal Income, Corporate, and Estate Tax)

Tax Change as % of Income	–1.1%	–1.3%	–1.6%	–1.9%	–2.0%	–3.8%	–3.4%
Average Tax Change	–171	–473	–907	–1,678	–3,405	–15,348	–58,675
Share of State's Federal Tax Cut	1%	4%	8%	14%	22%	26%	25%

## Personal Exemption Elimination

Tax Change as % of Income	+0.9%	+0.7%	+0.6%	+0.5%	+0.3%	+0.1%	+0.001%
Average Tax Change	+142	+247	+320	+431	+508	+372	+18

% with Income Tax Increase	64%	77%	87%	97%	98%	89%	6%
Avg. Tax Increase for Those w/ Increase	+223	+323	+366	+443	+516	+420	+316
Share of resident tax increase	9%	16%	20%	27%	24%	5%	0.1%

## Combined Standard Deduction and Itemized Deductions Changes

Tax Change as % of Income	–0.6%	–0.5%	–0.4%	–0.3%	–0.1%	–0.02%	–0.04%
Average Tax Change	–83	–159	–222	–287	–242	–96	–742

% with Income Tax Cut	45%	66%	70%	80%	65%	57%	79%
Avg. Tax Cut for Those w/ Cut	–186	–255	–350	–391	–439	–362	–1,160
Share of resident tax cut	7%	15%	22%	28%	19%	4%	4%
% with Income Tax Increase	7%	8%	14%	15%	33%	42%	19%
Avg. Tax Increase for Those w/ Increase	+1	+106	+180	+151	+127	+261	+931
Share of resident tax increase	0.1%	8%	20%	20%	26%	18%	8%

## New Deduction for Pass-Through Income

Tax Change as % of Income	–0.005%	–0.02%	–0.02%	–0.03%	–0.1%	–0.2%	–0.2%
Average Tax Change	–1	–7	–13	–26	–96	–699	–3,090

% with Income Tax Cut	1%	9%	10%	19%	32%	53%	77%
Avg. Tax Cut for Those w/ Cut	–47	–81	–129	–136	–298	–1,320	–4,200
Share of resident tax cut	0.2%	2%	3%	6%	17%	33%	38%
% with Income Tax Increase	0%	0%	0%	0%	0%	0.01%	2%
Avg. Tax Increase for Those w/ Increase	—	—	—	—	—	+725	+6,991
Share of resident tax increase	0%	0%	0%	0%	0%	0.3%	100%

## Combined State-Level Effects

Tax Change as % of Income	–0.1%	+0.1%	+0.1%	+0.1%	+0.1%	–0.1%	–0.2%
Average Tax Change	–16	+32	+73	+113	+168	–431	–3,816

% with Income Tax Cut	41%	49%	44%	47%	39%	55%	94%
Avg. Tax Cut for Those w/ Cut	–59	–69	–95	–123	–282	–1,259	–4,223
Share of resident tax cut	4%	6%	7%	10%	14%	24%	35%

% with Income Tax Increase	11%	25%	41%	48%	59%	44%	5%
Avg. Tax Increase for Those w/ Increase	+69	+259	+277	+353	+468	+592	+3,181
Share of resident tax increase	1%	11%	18%	27%	33%	8%	1%

## Federal Tax Change for Colorado Residents (\$1000)

–6,355,000

## State Tax Change for Colorado Residents (\$1000)

+861,000

% of Taxpayers w/Increase	83%		
% of Bottom 80% with Increase	81%		% of Tax Increase to Bottom 80%
% of Top 20% with Increase	92%		% of Tax Increase to Top 20%

## State Tax Change for Colorado Residents (\$1000)

–533,000

% of Taxpayers w/Cut	65%		
% of Bottom 80% with Cut	65%		% of Tax Cut to Bottom 80%
% of Top 20% with Cut	64%		% of Tax Cut to Top 20%

% of Taxpayers w/Increase	16%		
% of Bottom 80% with Increase	11%		% of Tax Increase to Bottom 80%
% of Top 20% with Increase	34%		% of Tax Increase to Top 20%

## State Tax Change for Colorado Residents (\$1000)

–223,000

% of Taxpayers w/Cut	16%		
% of Bottom 80% with Cut	10%		% of Tax Cut to Bottom 80%
% of Top 20% with Cut	39%		% of Tax Cut to Top 20%

% of Taxpayers w/Increase	0.02%		
% of Bottom 80% with Increase	0%		% of Tax Increase to Bottom 80%
% of Top 20% with Increase	0.1%		% of Tax Increase to Top 20%

## State Tax Change for Colorado Residents (\$1000)

+28,000

% of Taxpayers w/Cut	45%		
% of Bottom 80% with Cut	45%		% of Tax Cut to Bottom 80%
% of Top 20% with Cut	45%		% of Tax Cut to Top 20%

% of Taxpayers w/Increase	36%		
% of Bottom 80% with Increase	32%		% of Tax Increase to Bottom 80%
% of Top 20% with Increase	54%		% of Tax Increase to Top 20%