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State Audit Confirms TABOR Refund Coming for Colorado Taxpayers

DENVER—An audit by the Office of the State Auditor (OSA) has confirmed that the State collected \$3.6 billion more in revenue during Fiscal Year 2023 than the Taxpayer’s Bill of Rights (TABOR) allows, which means Colorado taxpayers will receive a refund.

TABOR was added to the Colorado Constitution in the November 1992 general election. TABOR limits the annual growth in state revenues to the sum of the inflation rate and the percentage change in the State’s population; this is called the TABOR growth rate. Any money the State raises above that amount must be returned to the taxpayers.

This audit does not include the impact of any legislation from the General Assembly’s special session that began on November 17, 2023. At that time, auditors reported three permanent refund mechanisms available for refunding excess state revenues—a property tax exemption reimbursement; a portion of refunds paid through reduced property tax assessments, beginning for Fiscal Year 2023; and a six-tier sales tax refund mechanism.

The General Assembly’s special session approved legislation that temporarily changes the six-tier sales tax refund mechanism so taxpayers will receive the same TABOR refund amount for Fiscal Year 2023, regardless of income.

“The excess state revenues are expected to trigger all three of the refund mechanisms,” said Maya Rosochacova, Audit Manager.

State law requires the OSA to conduct an annual audit of a report the State Controller prepares that certifies how much revenue the State collects each fiscal year. The report’s purpose is to ensure compliance with TABOR requirements. Auditors concluded that the Fiscal Year 2023 TABOR

Financial Report, as certified by the State Controller on September 1, 2023, agreed to the State's underlying accounting records as of September 1, 2023.

About the Office of the State Auditor

Under the direction of the State Auditor, the OSA's nonpartisan, professional staff promote government accountability by conducting independent performance, financial, and IT audits and evaluations of state agencies, departments, and institutions of higher education; conducting independent evaluations of the State's tax expenditures (e.g., credits, exemptions, deductions); tracking about 4,000 Colorado local governments for compliance with the Local Government Audit Law; and operating a statewide fraud reporting hotline.

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