STATE OF COLORADO

TAXPAYER SERVICES DIVISION
Department of Revenue

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Property Tax/Rent/Heat Rebate Update

The Colorado Property Tax/Rent/Heat (PTC) Rebate program was introduced in 1972 and designed to provide property tax assistance to low-income Colorado residents over age 65 and to surviving spouses over age 58. The program was modified in 1980 to allow for assistance with heat expenses. In 1987, assistance was extended to disabled persons who fall under the age limitation.

Funds for the rebate are allocated from the General Fund and are continuously appropriated by a permanent statute; §39-31-102, C.R.S.

Filing Statistics

The following chart illustrates a recent history of PTC filings:

Fiscal year ending June 30	2005	2006	2007	2008	2009*	2010*	2011*
Number of PTC Returns	43,614	38,827	30,399	36,200	26,058	23,595	24,206
Total Rebates Issued	$13,917,904	$11,676,772	$8,255,633	$8,728,936	$8,290,629	$7,581,317	$7,373,322
Average Rebate	$319	$301	$272	$241	$318	$321	$305
% Change - Number of Returns		-11.0%	-21.7%	19.1%	-28.0%	-9.5%	2.6%
% Change - Total Issued		-16.1%	-29.3%	5.7%	-5.0%	-8.6%	-2.7%
% Change - Average Rebate		-5.8%	-9.7%	-11.2%	32.0%	1.0%	-5.2%

*Change in accounting systems - Prior system tracked the number of PTC credit transactions, while the new system accounts for the number of filers who received the rebates. The new system is a more accurate accounting.

The benefit amount is determined by the income of the applicant. Income of the applicant cannot exceed a set (phase out) threshold to qualify. Prior to FY2009, the numbers of qualified applicants declined due to annual increases in Social Security income and disability payments. This was further evidenced by decreased average rebate amounts, which were a function of increased income coupled with the phase out rules. Beginning in FY2009, legislation was enacted to increase the phase out threshold and index for inflation.

The number of qualified applicants may also be affected by other various economic factors.

Prior to FY2007, qualified Colorado residents were able to obtain the credit without having to affirm lawful presence. The change in this requirement might explain the decline of returns filed in FY2007.

PTC Rebate Amounts and Phase Out Rules

The total PTC rebate amount is derived from two components; the first being property tax or rent, and the second being heat expense. To calculate the rebate the maximum credit allowed for each component is reduced by a percentage of the gross income that exceeds the base income level. This is demonstrated as follows:

	1998 law	1999-2007 law	2008 law*	2009	2010	2011
Maximum Property Tax/ Rent Rebate	$500	$600	$600	$600	$600	$600
Maximum Heat Rebate	$160	$192	$192	$192	$192	$192
Maximum PTC Rebate allowed	$660	$792	$792	$792	$792	$792
Base income level – Single	$5,000	$5,000	$6,000	$6,102	$6,133	$6,313
Base income level – Married	$8,700	$8,700	$9,700	$9,864	$9,913	$10,205
% of income over base that reduces the property tax/rent rebate that can be claimed	20%	10%	10%	10%	10%	10%
% of income over base that reduces the heat rebate that can be claimed	6.40%	3.20%	3.20%	3.20%	3.20%	3.20%
Income level where phase out reduces the rebate to $0 - Single filer	$7,500	$11,000	12,000	$12,102	$12,133	$12,313
Income level where phase out reduces the rebate to $0 - Joint filer	$11,200	$14,700	15,700	$15,864	$15,913	$16,205

* For years after 2008 the income levels are indexed for inflation.

Poverty Statistics

The following poverty statistics are provided to assist in the analysis of the PTC statistics:

	Related children under 18 years								
Size of family unit	None	One	Two	Three	Four	Five	Six	Seven	Eight+
One person (unrelated individual)									
Under 65 years	11,702								
65 years and over	10,788								
Two people									
Householder under 65 years	15,063	15,504							
Householder 65 years and over	13,596	15,446							
Three people	17,595	18,106	18,123						
Four people	23,201	23,581	22,811	22,891					
Five people	27,979	28,386	27,517	26,844	26,434				
Six people	32,181	32,309	31,643	31,005	30,056	29,494			
Seven people	37,029	37,260	36,463	35,907	34,872	33,665	32,340		
Eight people	41,414	41,779	41,027	40,368	39,433	38,247	37,011	36,697	
Nine people or more	49,818	50,059	49,393	48,835	47,917	46,654	45,512	45,229	43,487

Source: US Census Bureau 2011 Poverty Thresholds

2011 U.S. Dept of Health and Human Services poverty guidelines for 48 contiguous states and Washington DC

Family Unit		**Threshold**
One person	$	10,890.00
Two persons	$	14,710.00
Three persons	$	18,530.00
Four persons	$	22,350.00
Five persons	$	26,170.00
Six persons	$	29,990.00
Seven persons	$	33,810.00
Eight persons	$	37,630.00
For each additional person, add	$	3,820.00