

# Introduction

This Colorado Statistics of Income (SOI) publication reports on income and taxes for individuals filing income tax returns for tax year 2010.

The data used in this report are drawn from a merged file of state and federal tax returns. Information reported in the following tables pertains to only full year resident returns. Information from returns filed by part year residents who have moved into or out of the state, as well as those filed by nonresidents who are required to pay Colorado income taxes, are not included in the merged file used to compile this report. Tables 1A, 1B, and 1C report the number of returns, federal Adjusted Gross Income (AGI), gross and net state income taxes, and federal taxes filed by all Colorado residents. Returns filed by dependents, typically children with jobs who still live with their parents, are excluded from the data reported in tables 2 through 24. In this manner, the information reported in these tables more closely approximates the income data of households filing tax returns. The tables in this publication report federal adjusted gross income, sources of income, modifications, deductions, federal and state income tax, and several other key variables from the merged tax returns. Tables of regional and county information may also be found in this report.

The tables in this publication use federal adjusted gross income as a measure of the income of Colorado residents. Federal adjusted gross income is a standard measure of income and facilitates the comparison of Colorado income data to that of other states as well as national income data. The use of this income measure may hamper the comparison of income data with SOI reports prior to 1999. The largest single group affected is likely to be seniors that receive taxable pensions. Up to \$24,000 of taxable pension income per spouse (this amount has changed over time) was an allowable deduction under the Colorado adjusted gross income measure. This income is not exempted from taxation under federal codes and is included in federal adjusted gross income.

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