



**COLORADO**  
Office of the State Controller  
Department of Personnel  
& Administration

1525 Sherman St.  
Denver, CO 80203

September 15, 2016

The Honorable John W. Hickenlooper  
Governor  
State of Colorado

The Honorable Bill Cadman  
President of the Senate  
Colorado General Assembly

The Honorable Dickey Lee Hullinghorst  
Speaker of the House  
Colorado General Assembly

Barbara Brohl  
Executive Director  
Colorado Department of Revenue

Dear Ladies and Gentlemen:

This letter revises the previous TABOR revenue certification letter dated September 1, 2016. Since September 1, the Department of Public Safety identified \$23,209,446 of TABOR exempt revenue in Fiscal Year 2015-16, and \$28,571,834 of TABOR exempt revenue from Fiscal Years 2013-15 that had previously been recorded as nonexempt in those respective fiscal years. Other prior year adjustments included an increase in nonexempt revenue of \$346,219 from the Department of Natural Resources and an increase of \$12,232 in the base adjustment for prior year revenues from disqualified enterprises. The net result of these changes were to reduce total nonexempt revenue and the TABOR refund liability, and to increase the amount of TABOR revenue under the Excess State Revenues Cap, from the amounts certified previously.

Therefore, pursuant to Section 24-77-106.5(1)(b) C.R.S., I hereby re-certify that for Fiscal Year 2015-16, the unaudited State revenues subject to Article X, Section 20 (TABOR) of the State Constitution as of August 31, 2016 are \$12,880,810,294. Revenues are less than the Excess State Revenues Cap (ESRC) by \$49,905,378, and no refund of State revenues is required in Fiscal Year 2016-17 related to Fiscal Year 2015-16 revenues subject to TABOR. Please see the attached Preliminary Schedule of Computations Required Under Article X, Section 20.

Additionally, the Comparison of Nonexempt TABOR Revenues is attached, comparing general and program nonexempt TABOR revenues for Fiscal Year 2015-16 to Fiscal Year 2014-15. Total revenues not exempt from TABOR were more than the previous fiscal year by 2.8 percent. Fiscal Year 2014-15 nonexempt revenue is adjusted by:

- A decrease of \$16,914,050 for the requalification of Adams State University as a TABOR Enterprise in Fiscal Year 2015-16,



- An increase of \$43,492,579 of newly qualified revenues recorded by Fort Lewis College and Western State Colorado University, when they disqualified as TABOR Enterprises in Fiscal Year 2015-16, and
- A decrease of \$28,225,615 for revenue originally recognized as nonexempt from TABOR that should have been recognized as exempt, primarily due to reclassification of revenues at the Department of Public Safety.

The growth rate of the nonexempt TABOR revenues is 2.8% for Fiscal Year 2015-16, which is less than the allowable TABOR growth rate of 4.4% for this fiscal year. As a result, the Amount (Over) Under the Adjusted ESRC limit decreased from \$169,740,274 over the limit in Fiscal Year 2014-15 to \$49,905,378 under the limit in Fiscal Year 2015-16.

The nonexempt TABOR revenues Fiscal Year Spending (FYS) limit, which, prior to Referendum C, was the trigger used for refunding to the taxpayers, is required to be reported. For Fiscal Year 2015-16, the State revenues subject to TABOR are over the FYS limit by \$2,470,448,133.

The remaining amount of Fiscal Year 2014-15 revenue in excess of the limit to be refunded is \$31,165,536.

The amounts reported in the attached schedules are based on unaudited account balances, and therefore are subject to change. The State Auditor is required by statute to report on the audit of these amounts by September 15, 2016.

If there are questions concerning the information provided please feel free to contact me.

Sincerely yours,



Robert Jaros, CPA, MBA, JD  
Colorado State Controller

cc: June Taylor, Personnel & Administration  
Henry Sobanet, OSPB



**STATE OF COLORADO  
PRELIMINARY SCHEDULE OF COMPUTATIONS REQUIRED  
UNDER ARTICLE X, SECTION 20 -- UNAUDITED  
AS OF JUNE 30, 2016**

Certification Date: September 14, 2016

|   | FISCAL YEAR<br>2014-15   | FISCAL YEAR<br>2015-16   |
|---|--------------------------|--------------------------|
| <b>COMPUTATION OF NONEXEMPT REVENUES</b>                |                          |                          |
| Total State Expenditures                                | \$ 40,414,297,024        | \$ 42,566,878,019        |
| Less: Exempt Activity                                   | 28,176,543,655           | 29,494,976,205           |
| Nonexempt District Expenditures                         | 12,237,753,369           | 13,071,901,814           |
| District Reserve/Fund Balance Increase (Decrease)       | 293,018,847              | (191,091,520)            |
| <b>Total Nonexempt District Revenues</b>                | <b>\$ 12,530,772,216</b> | <b>\$ 12,880,810,294</b> |
| <b>COMPUTATION OF DISTRICT FUND BALANCE CHANGES</b>     |                          |                          |
| Beginning District Fund Balance                         | \$ 6,844,181,851         | \$ 6,789,791,186         |
| Qualifications, Disqualifications and Other Adjustments | (54,390,665)             | (99,811,541)             |
| <b>Ending District Fund Balance</b>                     | <b>\$ 6,789,791,186</b>  | <b>\$ 6,689,979,645</b>  |

|   | FISCAL YEAR<br>SPENDING   | EXCESS STATE<br>REVENUES CAP |
|---|---------------------------|------------------------------|
| <b>COMPUTATION OF SPENDING LIMITATIONS</b>  |                           |                              |
| Fiscal Year 2014-15 Limit   | \$ 9,976,945,707          | \$ 12,361,031,942            |
| Qualification of Enterprises  | (16,914,050)              | (16,914,050)                 |
| Other Adjustments   | (30,079,950)              | (34,470)                     |
| Fiscal Year 2014-15 Adjusted Limit  | \$ 9,929,951,707          | \$ 12,344,083,422            |
| Allowable TABOR Growth Rate   | 4.4%                      | 4.4%                         |
| Fiscal Year 2015-16 Unadjusted Limit  | \$ 10,366,869,582         | \$ 12,887,223,093            |
| Disqualification of Enterprises   | 43,492,579                | 43,492,579                   |
| Fiscal Year 2015-16 Adjusted Limit  | \$ 10,410,362,161         | \$ 12,930,715,672            |
| Less: Fiscal Year 2015-16 Nonexempt District Revenues   | (12,880,810,294)          | (12,880,810,294)             |
| <b>Amount (Over)Under Fiscal Year 2015-16 Adjusted Limit</b>                                      | <b>\$ (2,470,448,133)</b> | <b>\$ 49,905,378</b>         |
| Under(Over) Statement of Prior Years' Refunds Carried Forward to Next Refund Year                 |                           | \$ 31,165,536                |
| FY 2015-16 Retention of Revenues in Excess of the Limit (not refundable) C.R.S. 24-77-103.6(1)(b) |                           | \$ 2,470,448,133             |

**STATE OF COLORADO**  
**OFFICE OF THE STATE CONTROLLER**  
**COMPARISON OF NONEXEMPT TABOR REVENUES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**  
**UNAUDITED**

|   | Fiscal Year<br>2015-16   | Fiscal Year<br>2014-15   | Increase<br>(Decrease) | Percent<br>Change |
|---|--------------------------|--------------------------|------------------------|-------------------|
| <b>GENERAL REVENUES</b>   |                          |                          |                        |                   |
| Individual Income Tax, Net  | \$ 6,009,321,330         | \$ 5,829,650,793         | \$ 179,670,537         | 3.1%              |
| Sales and Use Tax, Net  | 2,826,501,589            | 2,837,452,888            | (10,951,299)           | -0.4%             |
| Corporate Income Tax, Net   | 606,441,176              | 635,114,790              | (28,673,614)           | -4.5%             |
| Insurance Taxes   | 277,452,466              | 256,662,582              | 20,789,884             | 8.1%              |
| Tobacco Products Tax, Net   | 58,310,466               | 55,681,549               | 2,628,917              | 4.7%              |
| Alcoholic Beverages Tax, Net  | 43,563,728               | 41,479,003               | 2,084,725              | 5.0%              |
| Fiduciary Income Tax, Net   | 40,481,628               | 58,384,780               | (17,903,152)           | -30.7%            |
| Interest and Investment Income  | 12,247,469               | 7,713,221                | 4,534,248              | 58.8%             |
| Court and Other Fines   | 9,635,176                | 6,466,697                | 3,168,479              | 49.0%             |
| Business Licenses and Permits   | 7,794,948                | 5,198,179                | 2,596,769              | 50.0%             |
| Miscellaneous Revenue   | 1,424,718                | 2,084,932                | (660,214)              | -31.7%            |
| Gaming and Other Taxes  | 573,330                  | 669,155                  | (95,825)               | -14.3%            |
| General Government Service Fees   | 436,561                  | 304,363                  | 132,198                | 43.4%             |
| Other General Revenue   | 40,001                   | 60,314                   | (20,313)               | -33.7%            |
| Severance Tax, Net  | -                        | 16,226,732               | (16,226,732)           | -100.0%           |
| <b>TOTAL GENERAL REVENUES</b>   | <b>9,894,224,586</b>     | <b>9,753,149,978</b>     | <b>141,074,608</b>     | <b>1.4%</b>       |
| <b>PROGRAM REVENUE</b>  |                          |                          |                        |                   |
| Health Service Fees   | 877,781,268              | 597,926,458              | 279,854,810            | 46.8%             |
| Fuel and Transportation Taxes, Net  | 611,582,083              | 601,514,776              | 10,067,307             | 1.7%              |
| Motor Vehicle Registrations   | 255,992,618              | 250,417,149              | 5,575,469              | 2.2%              |
| Miscellaneous Revenue   | 178,558,174              | 45,729,242               | 132,828,932            | 290.5%            |
| Court and Other Fines   | 174,498,360              | 166,890,612              | 7,607,748              | 4.6%              |
| Business Licenses and Permits   | 166,926,712              | 155,808,015              | 11,118,697             | 7.1%              |
| Other Charges For Services  | 147,684,875              | 147,995,864              | (310,989)              | -0.2%             |
| Gaming and Other Taxes  | 101,887,325              | 98,862,345               | 3,024,980              | 3.1%              |
| General Government Service Fees   | 56,327,494               | 60,122,937               | (3,795,443)            | -6.3%             |
| Rents and Royalties   | 53,779,416               | 48,129,695               | 5,649,721              | 11.7%             |
| Public Safety Service Fees  | 23,462,981               | 6,789,635                | 16,673,346             | 245.6%            |
| Interest and Investment Income  | 45,274,379               | 48,905,973               | (3,631,594)            | -7.4%             |
| Sales and Use Tax, Net  | 45,222,821               | 50,740,590               | (5,517,769)            | -10.9%            |
| Educational Fees  | 44,812,190               | 45,758,464               | (946,274)              | -2.1%             |
| Local Governments and Authorities   | 43,177,160               | 29,730,406               | 13,446,754             | 45.2%             |
| Driver's Licenses   | 38,235,424               | 33,773,790               | 4,461,634              | 13.2%             |
| Nonbusiness Licenses and Permits  | 34,903,177               | 34,660,937               | 242,240                | 0.7%              |
| Employment Taxes  | 30,767,812               | 29,380,594               | 1,387,218              | 4.7%              |
| Certifications and Inspections  | 20,141,368               | 19,821,410               | 319,958                | 1.6%              |
| Insurance Taxes   | 12,725,255               | 18,162,254               | (5,436,999)            | -29.9%            |
| Severance Taxes   | 11,772,706               | 272,991,579              | (261,218,873)          | -95.7%            |
| Higher Education Auxiliary Sales and Services   | 6,066,215                | 6,867,366                | (801,151)              | -11.7%            |
| Other Program Revenue   | 5,005,895                | 4,995,061                | 10,834                 | 0.2%              |
| <b>TOTAL PROGRAM REVENUES</b>   | <b>2,986,585,708</b>     | <b>2,775,975,152</b>     | <b>210,610,556</b>     | <b>7.6%</b>       |
| Requalification of Adams State University as a TABOR Enterprise                                   |                          | 16,914,050               | (16,914,050)           |                   |
| Disqualification of Fort Lewis College and Western State Colorado University as TABOR Enterprises |                          | (43,492,579)             | 43,492,579             |                   |
| Prior Year Errors   |                          | 28,225,615               | (28,225,615)           |                   |
| <b>TOTAL CASH-FUNDED REVENUE</b>  | <b>2,986,585,708</b>     | <b>2,777,622,238</b>     | <b>208,963,470</b>     | <b>7.5%</b>       |
| <b>TOTAL NONEXEMPT REVENUE</b>  | <b>\$ 12,880,810,294</b> | <b>\$ 12,530,772,216</b> | <b>\$ 350,038,078</b>  | <b>2.8%</b>       |