STATE OF COLORADO
SCHEDULE OF COMPUTATIONS REQUIRED
UNDER ARTICLE X, SECTION 20
AS OF JUNE 30, 2017

	FISCAL YEAR 2015-16	FISCAL YEAR 2016-17
COMPUTATION OF NONEXEMPT REVENUES		
Total State Expenditures	$ 42,537,731,555	$ 44,583,527,282
Less Exempt Enterprises Expenses:		
Higher Education Enterprises	8,458,394,515	10,618,379,415
CollegeInvest	623,149,830	704,500,649
College Assist	613,735,094	600,754,217
State Lottery	597,474,129	563,096,231
Unemployment Compensation Section	531,606,636	519,152,945
Parks and Wildlife	229,006,335	281,272,127
State Nursing Homes	59,711,521	84,907,496
Correctional Industries	73,701,031	75,979,315
Petroleum Storage Tank Fund	43,305,095	40,310,963
Statewide Transportation Enterprise	33,580,526	23,502,067
Statewide Bridge Enterprise	16,675,940	21,910,988
Brand Board	5,079,919	8,192,797
Clean Screen Authority	4,347,950	4,562,319
Capitol Parking Authority	1,091,211	966,673
Electronic Recording Technology Fund	-	14,198
Subtotal Enterprise Expenses	11,290,859,732	13,547,502,400
Total District Expenditures	31,246,871,823	31,036,024,882
Less Exempt District Revenues:		
Federal Funds	9,060,833,952	8,690,444,369
Interfund Transfers	7,287,302,792	7,132,670,428
Voter Approved Revenue Changes (Note 8)	803,704,749	876,407,717
Other Sources and Additions (Note 7)	626,657,872	806,703,290
Property Sales	115,177,508	122,106,087
Damage Awards	107,875,638	107,962,725
Gifts	93,632,186	67,512,420
Exempt Investment Income	75,230,590	(19,219,410)
Subtotal Exempt District Revenues	18,170,415,287	17,784,587,626
Nonexempt District Expenditures	13,076,456,536	13,251,437,256
District Reserve/Fund Balance Increase (Decrease)	(129,957,622)	76,373,948
Excess TABOR Revenues	(122,090,865)	(436,154,418)
Total Nonexempt District Revenues	12,824,408,049	12,891,656,786

COMPUTATION OF DISTRICT FUND BALANCE CHANGES		
Beginning District Fund Balance	$ 6,789,791,186	$ 6,674,746,577
Prior Period District Fund Balance Adjustments (Note 11)	44,247,600	(5,198,714)
(Qualification)/Disqualification of Enterprises (Note 14)	92,756,278	(116,373,425)
District Reserve/Fund Balance Increase (Decrease)	(129,957,622)	76,373,948
Retention of Revenues in Excess of the Limit CRS 24-77-103.6(1)(a)	(122,090,865)	(436,154,418)
Ending District Fund Balance	$ 6,674,746,577	$ 6,193,393,968

FISCAL YEAR 2016-17 COMPUTATION OF SPENDING LIMITATIONS	FISCAL YEAR SPENDING	EXCESS STATE REVENUES CAP
FY 2015-16 Limit	$ 10,427,605,970	$ 12,946,498,914
Prior Year Errors (Note 13)	29,906,915	-
Other Agency Revenues From Qualification of Enterprises (Note 14)	1,275,693	1,275,693
Qualification of Enterprises (Note 14)	(20,702,634)	(20,702,634)
FY 2015-16 Adjusted Limit	$ 10,438,085,944	$ 12,927,071,973
Allowable TABOR Growth Rate (Note 12)	3.1%	3.1%
FY 2016-17 Adjusted Limit	10,761,666,608	13,327,811,204
Less Fiscal Year 2015-16 Nonexempt District Revenues	(12,891,656,786)	(12,891,656,786)
Amount (Over)Under Adjusted Limit FY 2016-17	$ (2,129,990,178)	$ 436,154,418

FY 2014-15 Remaining Amount in Excess of the Limit to be refunded in the next refund year	$ 21,807,393
FY 2016-17 Retention of Revenues in Excess of the Limit (not refundable) C.R.S. 24-77-103.6(1)(b)	$ 2,129,990,178

NOTES TO THE TABOR SCHEDULE OF REQUIRED COMPUTATIONS

NOTE 1. PURPOSE OF THE SCHEDULE OF REQUIRED COMPUTATIONS

The purpose of the Schedule of Required Computations is to determine and document compliance with Title 24 Article 77 of the Colorado Revised Statutes, which is the implementing statute for Article X Section 20 of the State Constitution (TABOR). The report is required to include at a minimum State fiscal year spending, reserves, revenues, and debt. The schedule also includes a calculation of the limit on fiscal year spending, a calculation of the excess State revenues cap under Referendum C (See Note 9), and the amount required to be refunded or the amount of excess revenue retained by law, as well as all related adjustments.

TABOR has many provisions including a requirement for a vote of the people for new taxes or tax rate increases and a limit on the amount of fiscal year spending. Fiscal year spending is defined as District expenditures and reserve increases except those expended from exempt sources, such as gifts, federal funds, damage awards, property sales, reserves, and other items. This definition, while focused on spending is essentially a limitation on revenue retention because reserve increases are unspent revenues. Therefore, the terms fiscal year spending and nonexempt revenue are used interchangeably throughout these notes.

The limit on revenue retention is based on an allowable growth percentage (See Note 12) applied to the lesser of the prior year's revenues or the prior year's limit. Revenues in excess of the limit are required to be refunded to taxpayers unless voters approve retention of the excess. In the 2005 general election, voters approved Referendum C, which allowed the State to retain revenues in excess of the limit for a five-year period. Beginning in Fiscal Year 2010-11, under Referendum C provisions, revenues are refunded only when they exceed the excess State revenues cap (See Note 9).

NOTE 2. BASIS OF ACCOUNTING

Pursuant to Article 77 of Title 24, Colorado Revised Statutes, this report is prepared in accordance with generally accepted accounting principles (GAAP) for governmental entities except where an irreconcilable difference exists between GAAP, and State statute or the provisions of Article X Section 20 of the State Constitution (TABOR).

The accounting principles used by the State are more fully described in the State's Comprehensive Annual Financial Report available from the Office of the State Controller.

NOTE 3. DEFINITION OF THE DISTRICT

TABOR defines the District as "the State or any local government, excluding enterprises." It further defines an enterprise as "a government-owned business authorized to issue its own revenue bonds and receiving under 10 percent of annual revenue in grants from all Colorado state and local governments combined."

The General Assembly, for the purpose of implementing TABOR, stated in C.R.S. 24-77-102(16)

(a) that "State" means the central civil government of the State of Colorado, which consists of the following:

(I) the legislative, executive, and judicial branches of government established by Article III of the State Constitution;

(II) all organs of the branches of government specified in subparagraph (I) of paragraph (a) of this subsection (16), including the departments of the executive branch; the legislative houses and agencies; and the appellate and trial courts and court personnel; and

(III) State institutions of higher education.

(b) "State" does not include:

(I) any enterprise [including an institution or group of institutions of higher education that has been designated as an enterprise];

(II) any special purpose authority;

(III) any organization declared to be a joint governmental entity.

The General Assembly has designated the following as enterprises excluded from the District:

- State Lottery,
- College Assist,
- CollegeInvest,
- Division of Parks and Wildlife,
- State Nursing Homes,
- Division of Correctional Industries,
- Petroleum Storage Tank Fund,
- State Fair Authority,
- Division of Brand Inspection,
- Clean Screen Authority,
- Capitol Parking Authority,
- Statewide Transportation Enterprise,
- Statewide Bridge Enterprise,
- Unemployment Insurance Enterprise,
- Electronic Recording Technology Fund.

It further established a statutory mechanism that allows the governing boards of institutions of higher education to designate certain auxiliary operations as enterprises, which are also exempt from TABOR. Senate Bill 189 enacted in the 2004 legislative session expanded the authority for each governing board of State institutions of higher education to designate the entire institution as a TABOR exempt enterprise. The Board of Regents of the University of Colorado designated the entire University of Colorado as an enterprise during Fiscal Year 2004-05, and the remaining boards designated their institutions as enterprises in Fiscal Year 2005-06. The Auraria Higher Education Center Board of Directors did not designate all of its activities as a TABOR enterprise, but it continues to have selected activities designated as a TABOR enterprise.

Although the General Assembly and governing boards have designated certain enterprises as exempt from TABOR, those enterprises must continue to meet the criteria of a government-owned business authorized to issue its own revenue bonds and to receive less than 10 percent of its revenue in grants from all Colorado state and local governments combined. The State Fair Authority remained disqualified for Fiscal Year 2016-17.

NOTE 4. DEBT

Certificates of Participation, which are used by the State for long-term lease purchases, are not considered debt of the State for purposes of this report as provided by C.R.S. 24-30-202(5.5).

In interrogatories submitted by the General Assembly regarding House Bill 99-1325, the Colorado Supreme Court ruled that Transportation Revenue Anticipation Notes (TRANS) issued by the Colorado Department of Transportation do not constitute debt of the State as defined in Article XI Section 3 of the State Constitution. However, the Supreme Court ruled that the TRANS are a multiple-fiscal year obligation as defined by Article X Section 20 of the State Constitution, thus requiring an approving election before issuance.

NOTE 5. EMERGENCY RESERVES

TABOR requires the reservation, for declared emergencies, of three percent or more of fiscal year spending, excluding bonded debt service payments. This requirement for FY 2016-17 totals $386,749,704. At June 30, 2017, the net assets of the following funds were designated as the reserve, up to the limits set in the Long Appropriations Act:

- Major Medical Fund – $83,000,000. Only $78,401,470 of this fund's balance was restricted since, at June 30, 2017 its net assets were less than $83 million. The assets restricted were net cash of $66,645,034 and investments, excluding unrealized gains, of $11,756,436.
- Wildlife Cash Fund – $34,000,000.
- Perpetual base account of the Severance Tax Fund – $33,000,000.
- Colorado Water Conservation Board Construction Fund – $33,000,000.
- Controlled Maintenance Trust Fund – $68,328,000. Only $49,967,282 of this fund's net assets were restricted, all of it cash, since at June 30, 2017 its net assets were less than $68,328,000. During the fiscal year, $20,125,000 was transferred from the Controlled Maintenance Trust Fund to the Disaster Emergency Fund, through four executive orders, to pay for the costs of fighting wildfires across the state.
- Unclaimed Property Tourism Promotion Trust Fund - $5,000,000.

The 2016 legislative session Long Appropriations Act designated up to $142,272,000 of State properties as the remainder of the Fiscal Year 2016-17 emergency reserve.

The estimate of the needed reserve was based on the December 2016 revenue estimate prepared by Legislative Council. Because the revenues subject to the TABOR reserve requirement were more than estimated and designated in the Long Appropriations Act, or available in the designated funds as detailed above, the amount restricted for the reserve was $11,108,952 less than required by the State Constitution. There is no process by which the General Assembly can adjust the designated reserve after the end of the legislative session when the total TABOR revenues are finally known. In the event of an emergency that exceeds the financial assets in the reserve, the designated Wildlife Cash Fund capital assets and general capital assets would have to be liquidated to meet the constitutional requirement.

NOTE 6. STATUS OF REFUNDING

When refunds are required they are distributed to individual State taxpayers based on a statutory mechanism as discussed in Note 16. The Department of Revenue makes distributions of the TABOR refund through the income tax refund process using estimates of the number of taxpayers expected to qualify for the TABOR refund. Because the exact number of qualifying taxpayers cannot be known in advance, the estimates may result in over or under distribution of the required refund throughout the four-year period allowed for amended tax returns.

As required by statute, under-distributions of refunds are carried forward to subsequent years and added to the required refund in the future year when revenue is over the spending limit. Over-distributions of refunds are also carried forward to subsequent years and are used to offset any future refund liability. The statute requires the over/under refund carry forward to be applied in the year following the year in which the refund is required to be made, which results in a two year lag between the recording of the excess revenue and the adjustment for over or under refunds of those excess revenues.

At the beginning of Fiscal Year 2016-17 the State had an outstanding TABOR refund liability of $31,358,300. During the year $9,204,688 was refunded to tax payers from the Fiscal Year 2014-15 liability, when revenue exceeded the spending limit. Also in Fiscal Year 2016-17, adjustments to 2014-15 revenue were identified that reduced the liability by another $346,219. The resulting liability at June 30, 2017 was $21,807,393, to be refunded in the next refund year.

NOTE 7. OTHER SOURCES AND ADDITIONS

The $806.7 million reported in this line item primarily comprises: $380.1 million of pension and other employee benefit trust fund investment earnings and additions by the State and participants; $150.6 million of accounts payable reversions, reimbursements of prior year expense, revenue from in-kind match expenditures and other miscellaneous revenues; $142.5 million of proceeds from issuing certificates of participation; $113.5 million of permanent and trust fund additions; and $17.6 million of local government expenditures recorded by the State as revenues and expenditures to meet grant matching-funds requirements.

NOTE 8. VOTER APPROVED REVENUE CHANGES

When State voters approve a revenue change, the resulting revenues are exempt from the TABOR limit on fiscal year spending. The following revenue changes were approved by voters:

- In the 1998 general election, voters approved a citizen-initiated law, C.R.S. 25-8-501.1 – Regulation of Commercial Hog Facilities, which instituted a permit fee. The State collected $59,142 and $56,305 from this exempt source in Fiscal Years 2016-17 and 2015-16, respectively.

- In the 2000 general election, voters approved a citizen-initiated amendment that added Section 14 to Article XVIII of the State Constitution. This amendment allowed the use of marijuana for medical purposes and authorized the Department of Public Health and Environment to charge a fee for the issuance of a permit for such purpose. The State recorded $1,425,668 and $1,641,029 including interest and unrealized gains/losses from this revenue source in Fiscal Years 2016-17 and 2015-16, respectively.
- In the 2000 general election, voters approved a citizen-initiated amendment that added Section 17 to Article IX of the State Constitution. This amendment created the State Education Fund and diverted the revenues from a tax of one-third of one percent on taxable income of individuals, corporations, estates, and trusts from the General Fund to the State Education Fund. It also exempted the revenue from TABOR. The amendment was effective January 1, 2001, and resulted in $542,028,380 and $528,630,773 of tax revenues, interest, and unrealized gains/losses, being excluded from fiscal year spending in Fiscal Years 2016-17 and 2015-16, respectively.
- In the 2004 general election, voters approved a citizen-initiated amendment that added Section 21 to Article X of the State Constitution. The amendment authorized additional cigarette and tobacco taxes (3.2 cents per cigarette and 20 percent of manufacturer's list price for other tobacco products) effective January 1, 2005. The amendment specified the use of the tax revenue generated for specific health related programs, and it exempted the revenue from the TABOR limitations. The State recorded $147,216,201 and $148,097,981 of tax revenues, interest, transfers, and unrealized gains/losses from this exempt source in Fiscal Year 2016-17 and 2015-16, respectively.
- In the 2005 general election, Colorado voters approved Referendum C – a measure referred to the voters by the Legislature. The referendum allowed the State to retain revenues in excess of the TABOR limit for a period of five years, and it stated that the excess revenue retained qualified as a voter approved revenue change. However, in order to determine the amount retained, the Schedule of Required Computations includes the retained amount as nonexempt revenue. Therefore, the retained amount is not reported in this note as a voter approved revenue change (See Note 9).
- In the 2008 general election, voters approved an amendment required to implement locally approved changes to the parameters for Limited Gaming under Section 9(7) of Article XVIII of the Colorado Constitution. This amendment allowed the residents of Central City, Black Hawk, and Cripple Creek to vote to extend casino hours, approve additional games and increase the maximum single bet limit. It required distribution of most of the gaming tax revenue that resulted from the new gaming limits to Colorado community colleges and to gaming cities and counties, and it exempted the new revenue from state and local revenue and spending limits. The State collected $15,419,142 and $15,275,218 of extended limited gaming revenue in Fiscal Year 2016-17 and 2015-16, respectively.
- In the 2013 general election, Colorado voters approved Proposition AA, a measure referred to the voters by the Legislature. The proposition authorized a 15 percent state excise tax on the average wholesale price of retail marijuana, and, in addition to the existing 2.9 percent state sales tax, an additional 10 percent state sales tax on retail marijuana and retail marijuana products, effective January 1, 2014. The amendment specified the use of the excise tax revenue generated for public school construction (for the first $40.0 million collected) with any additional excise revenue generated to be used for marijuana regulation.

For the additional state sales tax, 15 percent of the revenues generated are allocated to the cities and counties that allow retail marijuana sales to consumers. The measure was silent as to the use of the revenue by cities and counties. In addition, the remaining amount of sales tax revenue generated is to be used for health, public safety, and education costs, in addition to funding the regulatory structure. The excise tax and additional sales tax revenue are exempted from the TABOR limitations.

The State recorded $71,915,551 in state excise tax and $98,343,634 of additional state sales tax revenues from these exempt sources in Fiscal Year 2016-17. In the prior fiscal year, the State recorded $42,667,419 and $67,336,023, respectively, from these two sources.

NOTE 9. REFERENDUM C

Referendum C was placed on the ballot by the General Assembly and was approved by the voters in the November 2005 election. It contained the following provisions:

- The State was authorized to retain and spend all revenues in excess of the limit on fiscal year spending after July 1, 2005, and before July 1, 2010 (five fiscal years). The authorization constituted a voter approved revenue change.
- After July 1, 2010, the State is allowed to retain revenues in excess of the limit on fiscal year spending up to a newly defined excess State revenues cap (ESRC). The excess State revenues cap is the highest population and inflation-adjusted nonexempt revenue amount in the period from July 1, 2005, to June 30, 2010, also adjusted for qualification and disqualification of enterprises. This provision effectively disabled the ratchet down provision of TABOR during the five-year period. (The term “ratchet down” is used to describe the TABOR provision that requires each year’s base for calculating the limit to be the lesser of the prior year’s revenues or the prior year’s limit.)
- A General Fund Exempt Account was created within the General Fund to consist of the retained revenues for each fiscal year of the retention period. The Legislature appropriates money in the account for health care, education (including related capital projects), firefighter and police pension funding (for local governments), and strategic transportation projects.
- The Director of Research of the Legislative Council is required to report the amount of revenues retained with a description of how the retained revenues were expended.
- The State Controller’s annual report demonstrating compliance with the statutes implementing TABOR is required to include the amount of revenues that the State is authorized to retain and expend.

With the end of the Referendum C five-year excess revenue retention period, the State was subject to an ESRC starting in Fiscal Year 2010-11. Calculation of the original TABOR limit continues to apply, but the ESRC replaces the previous TABOR limit for triggering taxpayer refunds.

Since the inception of Referendum C in Fiscal Year 2005-06 the State has retained $16,903,416,153 -- $3,593,602,662 during the initial five-year revenue retention period, and an additional $13,309,813,491 due to the ESRC exceeding the Fiscal Year Spending limit in Fiscal Years 2010-11 through 2016-17.

NOTE 10. DISTRICT RESERVES

District reserves are the cumulative fund balances of the State reported in the State's Comprehensive Annual Financial Report at the fund level rather than the government-wide level. District reserves therefore exclude capital assets, liabilities that are not recorded in governmental funds at the fund level (primarily long-term liabilities), as well as net assets of the TABOR enterprises. The majority of these funds include balances not available for general appropriation due to legal and contractual restrictions.

NOTE 11. PRIOR PERIOD DISTRICT FUND BALANCE ADJUSTMENTS AND ACCOUNTING CHANGES

Total prior period District fund balance adjustments decreased the TABOR District fund balances in total by $5,198,714.

- PRIOR PERIOD ADJUSTMENTS – The Department of Public Health and Environment decreased the district's beginning net assets by $5,198,714 by writing off prior year uncollectible accounts receivable directly to fund net position.
- ACCOUNTING CHANGES – In Fiscal Year 2016-17, there were no accounting changes affecting prior period TABOR District fund balances.

NOTE 12. SOURCES OF TABOR GROWTH LIMIT

The allowable percentage increase in State fiscal year spending equals the sum of inflation and the percentage change in State population in the calendar year ending six months prior to the start of the fiscal year. Inflation is defined in C.R.S. 24-77-102(8) as "the percentage change in the consumer price index for the Denver-Boulder Consolidated Metropolitan Statistical Area For All Urban Consumers, All Goods, as published by the U.S. Department of Labor."

The 3.1 percent allowable growth rate comprises a 1.9 percent increase for population growth (census date population for 2015 compared to census date population for 2014) and a 1.2 percent increase for inflation.

NOTE 13. SPENDING LIMIT ADJUSTMENTS FOR PRIOR YEAR ERRORS

With the addition of the Excess State Revenue Cap, spending limit adjustments only impact the calculation of the Fiscal Year Spending Limit.

The Fiscal Year 2016-17 spending limit was adjusted upward by $29,906,915 to correct an error in the June 30, 2016 Schedule of Computations. In that schedule, the Fiscal Year 2014-15 spending limit was reduced by $28,646,470, after application of allowable growth rates, to adjust for prior year revenue recording errors going back to Fiscal Year 2011-12. Although prior year revenue recognition errors had occurred, the fiscal year spending limit had been lower than nonexempt revenue in each year between Fiscal Years 2011-12 and 2014-15. Therefore, the spending limit adjustment in the June 30, 2016 Schedule of Computations was unnecessary. The $29,906,915 increase to the fiscal year spending limit on the Fiscal Year 2016-17 Schedule of Computations is a reversal of the $28,646,470 error plus the prior year growth rate of 4.4%.

Otherwise, in Fiscal Year 2016-17, there were no prior year revenue recognition errors impacting the fiscal year spending limit.

NOTE 14. ENTERPRISE QUALIFICATION AND DISQUALIFICATION

The TABOR amendment to the State Constitution specifies that qualification and disqualification of enterprises shall change the District base. In order to ensure comparability between the base and current year nonexempt revenue, when an activity qualifies as an enterprise the base is reduced by the activity's prior year nonexempt revenue offset by revenue that would have been counted as nonexempt due to the activity's interaction with other State agencies. When a TABOR enterprise becomes disqualified, its current year nonexempt revenue is added to the base after application of the population and inflation growth adjustment and its prior year payments to other State agencies are removed from the base (before application of the allowable growth rate).

In Fiscal Year 2016-17, Fort Lewis College re-qualified as a TABOR enterprise upon receiving less than ten percent of its revenues directly from the State and local governments. (See Note 3.) In the prior fiscal year, Fort Lewis had been nonexempt from TABOR spending limits.

To neutralize the effect of the change in enterprise status in computing both the Fiscal Year 2016-17 spending limit and the Excess State Revenues Cap, $20,702,634 was deducted from the Fiscal Year 2015-16 spending limit and the Excess State Revenues Cap before application of the current year 3.1% allowable growth rate. This amount was Fort Lewis College's nonexempt District revenue from Fiscal Year 2015-16.

The fiscal year spending limit and the Excess State Revenues Cap were also adjusted by adding $1,275,693 before application of the 3.1% growth rate. This is the amount that Fort Lewis College paid to non-TABOR enterprises in Fiscal Year 2015-16 that would have crossed the District boundary had Fort Lewis College been a TABOR enterprise in the prior year.

The Qualification/Disqualification of Enterprises line in the Computation of District Fund Balance Changes section shows a decrease in fund balance of $116,373,425 – an adjustment to the prior year District fund balance for the re-qualification of Fort Lewis College as a TABOR enterprise. The adjustment is necessary because the funds of TABOR enterprises are not included in the TABOR District. (See Note 3.)

NOTE 15. TREATMENT OF AMOUNTS HELD FOR FUTURE REFUND

CRS 24-77-103.5 requires that errors in the amount to be refunded be corrected in the year they are discovered. In Fiscal Year 2016-17, $346,219 related to an asset account was discovered as having been booked as revenue in Fiscal Year 2014-15, the most recent refund year. Had the amount been booked correctly, nonexempt revenue would have been $346,219 less than originally reported. Therefore, the TABOR refund liability was reduced by this amount in the current year.

Fiscal Year 2014-15 excess revenue refundable to taxpayers at June 30, 2016 was $31,358,300. After refunds of $9,204,688 paid during Fiscal Year 2016-17 and the adjustment for $346,219, the remaining refund payable at June 30, 2017 was $21,807,393 (See Note 6.)

NOTE 16. FUTURE REFUNDS

In the 2010 legislative session, Senate Bill 212 removed all prior alternative mechanisms for refunding TABOR revenues in excess of the fiscal year spending limit except for the earned income tax credit refund mechanism. Also passed in the 2010 session, House Bill 1002 created a temporary income tax rate reduction, applicable beginning in Fiscal Year 2010-11, as an additional refunding mechanism.

On October 1, 2015, the Department of Revenue reported that after 2015 tax year, the Earned Income Tax Credit would become permanent and would no longer be a TABOR refund mechanism.

After application of a temporary income tax rate reduction from 4.63 percent to 4.50 percent and the earned income tax credit mechanism, any remaining amount is distributed to all full-year Colorado residents 18 years and older as a refund of sales taxes. When the refund is estimated to be under $15 for each qualified taxpayer, an identical amount is refunded to each qualified taxpayer. When the sales tax refund is estimated to be over $15 for each qualified taxpayer, a fixed amount is set for each of six tiers of federal adjusted gross income. The Department of Revenue calculates the amount of the individual refund for each tier as a statutory percentage of the total sales tax refund divided by the number of anticipated taxpayers in each tier.