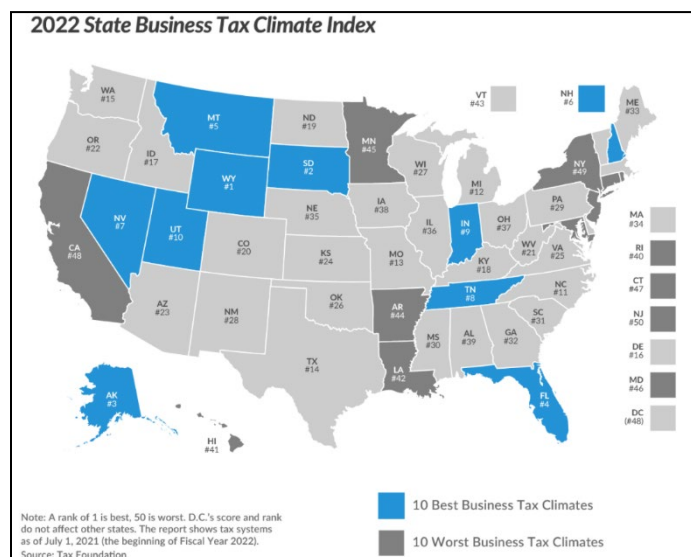


Tax Climate

- Colorado has the 20th best state business tax climate according to the Tax Foundation. Colorado ranks among the top 25 states due to its favorable corporate tax, individual income tax, and property tax rankings. Of Colorado's competitors, North Carolina, Texas, Utah and Washington ranked better than Colorado, but Arizona, California, Georgia, Oregon, and Virginia ranked worse.
- The Tax Foundation ranks Colorado No. 6 in its corporate tax index. Colorado ranks favorably with its single-rate system and the fifth-lowest corporate income tax rate in the country. Four of Colorado's competitors ranked among the bottom 25 states in the corporate tax index including California, Oregon, Texas, and Washington.
- Colorado imposes one of the nation's lowest state sales tax rates but when combined with the average local tax rate, the total rate ranks among the highest. Combined with wide latitude for local jurisdictions to modify the tax base, the Tax Foundation ranks Colorado's sales tax system 38th (No. 1 represents the best tax structure). The index ranked three competitors lower than Colorado, Arizona (No. 40), California (No. 47), and Washington (No. 49).



State Corporate & Personal Income Tax Rates

	Rate
Tax years beginning on or after:	
January 1, 2022	4.40%
January 1, 2021	4.55%

Source: Colorado Department of Revenue.

Tax Rates

Property

- In Colorado, commercial property tax is levied on real and personal property based on its assessed value and the local tax districts providing services to the area.
- The mill levy is the tax on each \$1,000 of assessed value for the property (actual value x assessment rate / \$1,000 x mill levy).
 - The average levy including all tax districts in the Denver South region ranges from 79.319 in the City and County of Denver to 101.020 in Douglas County.

Property Tax Levies by County, 2021

County	Average County Levy ¹
Arapahoe	97.118
City & County of Denver	79.319
Douglas	101.020
Metro Denver Average	93.263

Note: Per Colorado law, assessors reappraise all property every two years (in odd-numbered years). Mill levies between general reassessment years may not be directly comparable due to the change in assessment base.

¹ Actual levy depends on location within each county as school, municipal and special district boundaries do not coincide with county lines. The mill levy is the dollars of tax per \$1,000 of assessed valuation.

Source: Colorado Department of Local Affairs, Division of Property Tax Administration, "State of Colorado Property Tax Annual Report."

Sales and Use Tax

- Combined state, local, and special district sales tax rates in the Denver South region range from 3.25 percent in unincorporated areas of Arapahoe County to 8.81 percent in the City and County of Denver.
- Many areas in the Denver South region have sales and use tax rates below the Metro Denver average of 7.56 percent.

Sales & Use Tax Rates		
District	Rate	Combined Rate ¹
Colorado	2.9%	
Arapahoe County	0.25%	3.25% / 4.25%
Centennial	2.5%	6.75%
Greenwood Village	3.0%	7.25%
City & County of Denver	4.81% / 4.0%²	8.81% / 8.0%²
Douglas County	1.0%	4.0% / 5.0%
Lone Tree	2.8125%	7.8125%
Special Districts		
Regional Transportation District (RTD)	1.00%	
Scientific & Cultural Facilities District	0.10%	
Lincoln Station Local Improvement District	0.50%	
Metro Denver Average Rate		7.56%

¹ Combined tax rates include applicable state, county, city, and special district levies.

² Sales tax on food and liquor for immediate consumption.

Source: Colorado Department of Revenue.

Occupational

- Denver and Greenwood Village are among five cities in Metro Denver that assess an occupational tax on all people working in that city who earn a determined amount in monthly salary. The occupational tax is shared by the employer and the employee, as indicated in the table.

Occupational Tax			
City	If monthly salary greater than:	Monthly Amount Paid Per	
		Employer	Employee
Denver	\$500	\$4.00	\$5.75
Greenwood Village	\$250	\$2.00	\$2.00

Source: Individual city websites.

Unemployment Insurance

- Colorado's unemployment insurance rates vary among established employers, depending upon the history of taxes and benefits paid, and the Unemployment Insurance Fund balance.
- The majority of new employers (non-construction) are charged a standard tax-based rate depending on the type of business activity. For rate year 2022, the rate consists of only the base rate.
- An employer's unemployment insurance tax liability is based on the taxable wage base, which is the first \$17,000 of each worker's wages.

Unemployment Insurance Standard Rates for 2022			
Business Classification	Base Rate	Surcharge Rate	Combined Rate
		Employer	Employee
Non-construction; General			
Construction; or Trades	0.017	0	0.017
Heavy Construction	0.0758	0	0.0758
Political Subdivision Group Rate	0.002	0	0.002

Source: Colorado Department of Labor and Employment.

Workers Compensation

Workers' compensation insurance is provided by over 200 private insurance companies and the State Compensation Insurance Fund, d.b.a. Pinnacol Assurance, an independent political subdivision of the State, which operates as a workers' compensation insurance company. Colorado's rates are among the lowest in the country.

Incentives and Financing

The Denver South region's pro-business environment, favorable regulatory environment, and competitive tax structure foster a favorable business climate. The state of Colorado and local governments in the region support this climate by providing incentives that focus on:

- Employee training
- Expedited permitting and licensing
- Infrastructure improvements
- Job creation
- Tax rebates

Most of the incentives are granted on a case-by-case basis depending on the type of company, the number of employees, wages, and location of the project.

Information on incentive programs and support most commonly used in the Denver South region are listed below.



State Incentives

New and expanding businesses in the Denver South region may be eligible for Colorado-based business incentive programs which include performance-based tax credits and grants for customized job training.

Colorado FIRST and Existing Industry Customized Training

Provides grants to new and existing companies by reimbursing costs associated with job training.

Job Growth Incentive Tax Credit

A performance-based job creation incentive program which provides state income tax credit to new and expanding businesses undertaking job creation projects.

Strategic Fund Incentive

A performance-based program designed to encourage recruitment, retention, and economic growth by supporting businesses that have created and maintained permanent net new jobs for one year.



Local Incentives

New and expanding businesses in the Denver South region may be eligible for local business incentives which are considered on a case-by-case basis. Contact us for additional information.

Business Personal Property Tax Rebate

The program allows for rebates of up to 100% of the County's portion of business personal property taxes for new and expanding businesses. Rebates are considered on a case-by-case basis and require approval by the Board of County Commissioners (Arapahoe or Douglas).

Local Tax Abatements

Local jurisdictions may consider waiving or rebating local sales/use taxes for construction materials, personal property, and manufacturing equipment.

Waiver of Permit Fees

Local jurisdictions may consider waiving all or part of various permit fees.

Workforce and Customized Employment Services

Available to employers and job seekers through the Arapahoe/Douglas Works! Workforce Center and include:

- Timely and accurate labor market information
- Customized staffing services (recruitment, screening, assessments)
- Hiring events

Commuter Planning Services

Denver South provides commuter assistance to both employers and employees by analyzing multi-modal travel options for each individual worksite inclusive of all modes of travel including train, bike, carpool pedestrian access at no cost.


Enterprise Zone Tax

The Colorado Enterprise Zone (EZ) Program is designed to promote a business-friendly environment in economically distressed areas by offering state income tax credits that incentivize businesses to locate and develop in, and non-profit organizations to assist with the needs of these communities. There are 14 Enterprise Zones in Colorado.

Businesses located in a zone can qualify for the following Enterprise Zone tax credits and incentives to encourage job creation and investment in Colorado.

BUSINESS INCOME TAX CREDITS	CREDIT AMOUNT
Investment Tax Credit (ITC)	3% of equipment purchases
Commercial Vehicle Investment Tax Credit (CVITC)	1.5% of commercial vehicle purchases
Job Training Tax Credit	12% of qualified training expenses
New Employee Credit	\$1,100 per new job
Agricultural Processor New Employee Credit	\$500 per new job
Employer Sponsored Health Insurance Credit	\$1,000 per covered employee
R&D Increase Tax Credit	3% of increased R&D expenditures
Vacant Building Rehabilitation Tax Credit	25% of rehab expenditures (hard costs)
ADDITIONAL EZ INCENTIVES	INCENTIVE AMOUNT
Manufacturing/Mining Sales and Use Tax Exemption	Expanded sales and use tax exemption in EZ
Contribution Tax Credit	25% cash/12.5% in-kind on contributions to EZ projects
Local Incentives	Increased incentives in some EZ areas