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COLORADO'S EXPANDED TAX CREDITS TARGETING LOWER INCOME FAMILIES: CAN THEY SHRINK POVERTY AND SUPPORT WORK?

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Named in honor of the Coors family, the fellowship pays tribute to the vision, hard work, true grit, relentless determination, and fearless innovation that were the hallmarks of the pioneering spirit that characterized the success of the men and women who founded Colorado as the place where opportunity abounds. Providing that same opportunity for individuals and families to prosper, grow and achieve their dream today, just as our founders did, is at the heart of the Coors Fellowship and the legacy of that family name.

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CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team's work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

TABLE OF CONTENTS

INTRODUCTION

The best pathway out of poverty is through work. A 2023 report, "Reimagining Colorado's Social Safety Net to Incentivize Work," issued through CSI's Coors Economic Mobility Fellowship, detailed problems with the existing patchwork of social safety net programs, which can have the unintended consequence of disincentivizing work because of benefit cliffs that occur at certain income thresholds.[i]

In recent years, there has been a series of federal and state policy changes that increased government spending through the tax code on two categories of tax credit programs. The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) exist to incentivize work and help offset the cost of raising children.

In 2021, the American Rescue Plan Act (ARPA) increased the federal CTC, particularly for low-income families, and made it temporarily refundable, meaning that families received full payments even for amounts that exceeded their tax liabilities. This policy took a further step toward making CTC a larger part of the social safety net but raised questions about its impact on incentives to work.

Colorado has followed suit, expanding its CTC and EITC tax credit programs by more than $1 billion annually to a new total of $1.1 billion.

During the most recent Colorado legislative session, one of the 101 bills reducing future TABOR refunds was HB24-1311, the Family Affordable Tax Credit (FATC). The FATC includes a new refundable tax credit designed to provide an unprecedented level of payments to families at the lowest income levels using funds subject to TABOR. Many families will be able to claim it alongside the existing child tax credit, which received a funding increase in 2023, and the state EITC, which was expanded most recently in 2024.

Reporting indicated that the federal CTC expansion lifted 2.9 million children above the poverty line. There is a unique opportunity to examine how the combination of all recent tax credit policies in Colorado may be able to better support people through their path to greater economic mobility.

FIGURE 1

Growth in Colorado's CTC and EITC Spending Between 2021 & 2025
Future Growth Will Depend on TABOR Surplus Revenue

Year	Colorado combined Child Tax Credits	Colorado EITC	Total
2021	$20 million	$77 million	$97 million
2025	$730 million	$369 million	$1.1billion
Difference	+$710 million	+$292 million	+$1.002 billion

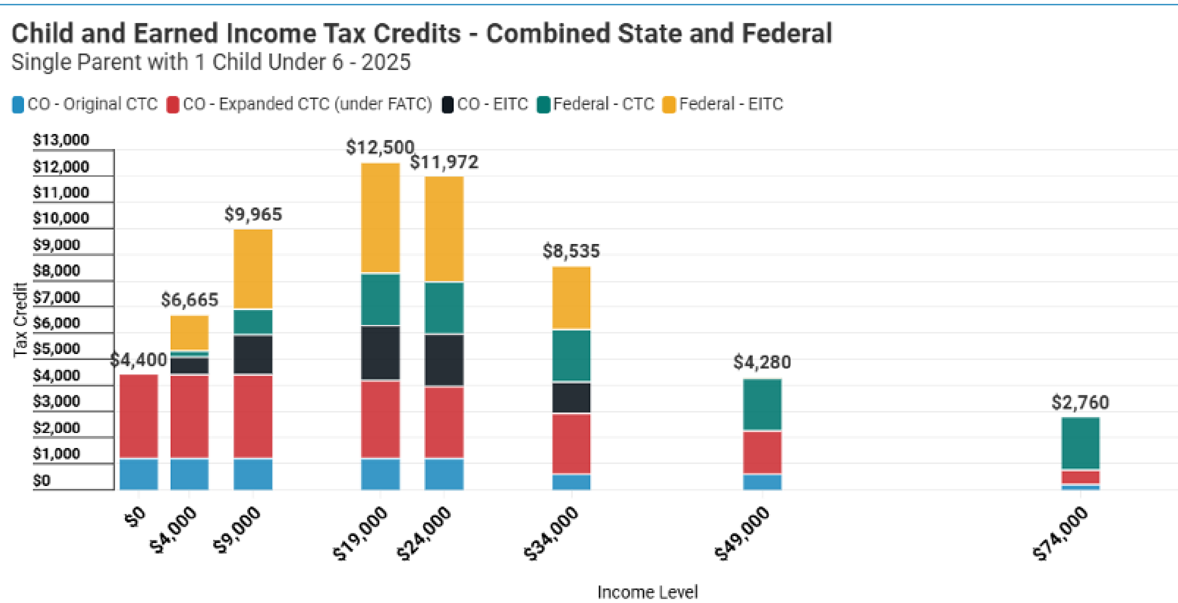
Sources: Bill fiscal notes and DOR Annual Reports[ii iii iv v vi vii]

This report examines the expanded child-related tax credits in Colorado and how they impact poverty and incentives to work. It also recommends areas for further study and reform concerning the manner in which the state pays those credits and the sustainability of funding.

KEY FINDINGS:

- **10X growth in 5 years in poverty-reducing tax credits** - Between 2021 and 2025, Colorado's spending on child tax credits and earned income tax credits to support lower income workers and families will have grown from $97 million to $1.1 billion. This amounts to a 6% increase in the state's general fund expenditure, given that the credits are funded by TABOR refunds. Federal spending on CTC and EITC credits is in addition to this amount.
- **The structure of the expanded state tax credits supports low-income earners the most and mitigates some of the impacts of benefit cliffs.** The new refundable tax credits for a single parent with one child under 6 will equal a 127% increase in income if making $4,000, 66% at $9,000 of income, 25% at $24,000 of income, and 5% at $49,000 of income. Combined with the federal benefits, the effective increase more than doubles at most income levels.

FIGURE 2



CSI Calculations • Interim income values receive benefits but are not calculated for display.
Each tax credit is refundable. Federal CTC is partially refundable so depending on federal tax liability, representative individual shown may not receive up to $300 of the federal CTC.

- **Case data from Torch Tech shows that the new state tax credits decrease or eliminate deficits between income and expense for families at the lowest income levels.** For an earner making $16/hr., the deficit falls from $4,250 to $363 under new state tax credits. Whereas workers earning less than $24/hr. faced deficits, on average, under prior levels of tax credits, the increased credits neutralize the average deficit at just $21/hr.
- **The new state child tax credits can be earned regardless of tax liability or income, raising questions about long-term impacts on incentives to work.** A single parent with a child under 6 can receive $4,400 even while not generating any income. Studies of the subject show mixed results, but important questions remain about the long-term impacts of large refundable tax credits on poverty levels.
- **Both the scale of the increase in credits and the decision to use the child tax credit as a basic income program, merit enhanced reporting and impact monitoring.** If the programs can deliver on their intentions of reducing childhood poverty without disincentivizing work, then policymakers should weigh making them permanent fixtures of the state budget. Given the use of taxpayer TABOR refunds, reporting should also inform the need to institute an income or minimum hours of work threshold.

COLORADO'S RECENT USE OF TAX CODE TO SPUR WORK AND CUT COSTS OF LIVING

Colorado's Earned Income Tax Credit (EITC) helps low to moderate income households by decreasing their state tax liability and potentially creating a tax refund. Additionally, Colorado currently has two tax credits in place for those with dependent children. The state Child Tax Credit (CTC) is available for households with children under 6 and a component of the Family Affordability Tax Credit (FATC) is available for those with children 17 and under. Both the state CTC and FATC are available for single and joint filers up to specified income amounts and are fully refundable. Therefore, for those with no tax liability, or for those with a tax liability lower than the credits, these programs act as a direct transfer. Colorado's CTC and FATC deviate from their federal counterparts in that they are available for all low-income earners regardless of whether they generated any income.

FIGURE 3

Recent CTC and EITC Legislative Changes				
Bill	**Did it Impact CTC?**	**Did it Impact EITC?**	**Implementation Date**	**Sunset Date**
HB23-1112: Earned Income and Child Tax Credits (CTC)[viii]	For income tax years commencing on and after January 1, 2024, the bill implements fixed payments up to $1,200 for those with the lowest income.	For tax year 2024, the bill increases the Colorado EITC from 25 percent of the federal EITC to 38 percent of the federal EITC.	Tax Year 2024	Tax Year 2024 (EITC) Doesn't Sunset (CTC)
HB23-1002: Increased Earned Tax Credit 2023[ix]	No	For tax year 2023 only, the bill expands the Colorado EITC from 25 percent to 50 percent of the federal EITC.	Tax Year 2023	Tax Year 2023
HB24-1134: Adjustments to Tax Expenditures to Reduce Burden[x]	No*	The bill expands the state EITC as follows: From 38 percent to 50 percent of the federal credit in tax year 2024; from 25 percent to 35 percent of the federal credit in tax year 2025; and from 20 percent to 30 percent of the federal credit in tax years 2026 and beyond.	EITC in tax year 2024 Child expense credit in tax year 2026	Doesn't Sunset (CTC and EITC)
HB24-1311: Family Affordability Tax Credit (FATC)[xi]	For tax years 2024 through 2033, the bill creates a family affordability income tax credit up to $3,200 in addition to HB23-1112 for Coloradans with children.	No	Tax Year 2024	Tax Year 2033

*Beginning in tax year 2026 the bill merged the two child care expense credits into one tax credit, the child and dependent care tax credit (CDCTC), with an adjusted gross income cap of $60,000.

Figures 4 and 5 show the combined amount of state and federal CTC and EITC tax credits for qualifying representative filers.

FIGURE 4

Combined State and Federal CTC and EITC Tax Credits Parent with 1 Child Under 6 – Single Filer						
	State			Federal		
Income	CTC	FATC	EITC	CTC	EITC	Total
$0	$1,200	$3,200	$0	$0	$0	$4,400
$4,000	$1,200	$3,200	$680	$225	$1,360	$6,665
$9,000	$1,200	$3,200	$1,530	$975	$3,060	$9,965
$19,000	$1,200	$2,980	$2,107	$2,000	$4,213	$12,499
$24,000	$1,200	$2,760	$2,004	$2,000	$4,008	$11,973
$34,000	$600	$2,320	$1,205	$2,000	$2,410	$8,536
$49,000	$600	$1,660	$7	$2,000	$13	$4,280
$74,000	$200	$560	$0	$2,000	$0	$2,760
$84,000	$0	$120	$0	$2,000	$0	$2,120

FIGURE 5

Combined State and Federal CTC and EITC Tax Credits Parent with 1 Child Age 6-16 – Single Filer						
	State			Federal		
Income	CTC	FATC	EITC	CTC	EITC	Total
$0	$0	$3,200	$0	$0	$0	$3,200
$4,000	$0	$3,200	$680	$225	$1,360	$5,465
$9,000	$0	$3,200	$1,530	$975	$3,060	$8,765
$19,000	$0	$2,980	$2,107	$2,000	$4,213	$11,300
$24,000	$0	$2,760	$2,004	$2,000	$4,008	$10,773
$34,000	$0	$2,320	$1,205	$2,000	$2,410	$7,936
$49,000	$0	$1,660	$7	$2,000	$13	$3,680
$74,000	$0	$560	$0	$2,000	$0	$2,560
$84,000	$0	$120	$0	$2,000	$0	$2,120

HB24-1311: Colorado's Family Affordability Tax Credit

Most of the studies on the impacts of tax credits on work and poverty have been on EITC. However, Colorado has made a larger investment in its CTC programs, which may produce different results. A portion of the Family Affordability Tax Credit (FATC) is designed to provide a CTC-like benefit to single filers making up to $85,000 and joint filers making up to $95,000 in federal adjusted gross income (AGI).

The Colorado CTC was available starting in 2022. Had it been available in 2019, it is estimated that between single and joint tax filers there would have been 216,423 Colorado adults who claimed the state child tax credit.[xii] This includes 67,960 joint filers and 80,503 single filers. Families with qualifying children under six years old will receive a higher allocation than those with children between six and 16 years old.

The credit is refundable, meaning any amount over the filer's tax liability is refunded. Calling these distributions a tax credit is a misnomer since they are available even to those who have no tax liability earning $0 annually.

FIGURE 6

Child Tax Credit within FATC for Single Filers			
Child Under 6		Child Ages 6 -16	
Maximum Payment ($0-$15,000 income)	$3,200	Maximum Payment ($0-$15,000 income)	$2,400
Decrease for Every $5,000 of Additional Income Starting at $15,001	$220	Decrease for Every $5,000 of Additional Income starting at $15,001	$165
Phaseout Income	$85,000	Phaseout Income	$85,000

FIGURE 7

Child Tax Credit within FATC for Joint Filers			
Child Under 6		Child Ages 6-16	
Maximum Payment ($0-$25,000 income)	$3,200	Maximum Payment ($0-$25,000 income)	$2,400
Decrease for Every $5,000 of Additional Income Starting at $25,001	$220	Decrease for Every $5,000 of Additional Income starting at $25,001	$165
Phaseout Income	$95,000	Phaseout Income	$95,000

The CTC is estimated to cost $730 million in state revenue for the 2025 tax year and will come from TABOR refunds. This amount assumes a 75% utilization rate in 2024, growing to 85% by 2026. If the utilization rate were 100%, the credit is estimated to reduce the state revenue by $880 million annually.[xiii]

In future years, the funding of the FATC and CTC will be dependent on the anticipated TABOR surplus, meaning that in a year in which there are no expected TABOR refunds, neither credit would be available. Given the volatility in revenue and recent history of policies that either reduce the state income tax rate, or reduce TABOR refunds, there is significant risk to the long-term outlook of the funding for this policy. Further reforms to address this are included in the recommendations.

The current plan is for the CTC to be provided as a refund after filing taxes. However, within the bill, the Department of Revenue is authorized and encouraged, but not required, to distribute the credits monthly, akin to the American Rescue Plan Act (ARPA) tax credits received in 2021.

DO CTCS REDUCE CHILD POVERTY?

Determining exactly how many individuals and families in Colorado could be moved out of poverty as a result of Colorado's increased child tax credits and EITC payments is difficult due to both a lack of data about the percentage of eligible families who might take advantage of the new benefit as well as the long-term impact on families after the payments are received and spent. On paper, however, these newly expanded benefits will push certain low-income filers above the federal poverty level (FPL) – at least temporarily.

CTCs have been touted as a key component of America's safety net programs and essential to lifting children out of poverty. In 2022, 11.1% percent of Colorado children under 18 lived in poverty, 11,419 fewer than in 2021. For families with children under 17, the poverty rate dropped from 16.4% in 2021 to 15% in 2022.[xiv]

Poverty extends to later in life because children who grow up in poverty tend to earn less. Almost half of adults who experienced moderate to high levels of poverty in childhood are poor in early to middle adulthood.[xv] The annual U.S. cost of childhood poverty is between $500 billion and $1.03 trillion to the U.S. economy.

When the federal government briefly increased the CTC to an unprecedented level in 2021 as part of ARPA, CTCs received wide attention because of their purported impact on child poverty. The temporary bill increased the CTC to $3,600 per child under six years old and $3,000 per child aged 6 to 16 years old. ARPA also expanded full eligibility to include all families up to $210,000 household income, and changed how the credit was distributed, with half the money in monthly payments between July and December and the remainder in a lump sum payment when taxes were filed. Additionally, the CTC was fully refundable, allowing families to receive payment for any amount over their offset tax liability.

In all, the ARPA CTC temporary expansion and extended eligibility is estimated to have moved close to three million children out of poverty in the expansion months and reduced the child poverty rate from 9.2% to 5.2%[xvi] In Colorado, the ARPA CTC went to 650,000 families with nearly 1.1 million children.[xvii]

Researchers have documented that families benefited from the ARPA CTC expansion and saw a reduction in food insecurity, as 51% of families reported using the monthly CTC payments for food. The next most common use was paying for school expenses (30%), followed by clothing and other essential items for their children (29%).[xviii] The monthly payments were helpful for many households led by single mothers who were more likely to have lost their jobs during the pandemic.[xix] Families also reported less financial hardship in general, including decreased credit card debt, greater ability to pay for utilities, and decreased reliance on payday loans or pawn shops. Some families were able to pay for tutoring or extracurricular activities for their children.[xx] When the payments were over, families struggled again.

In Colorado, follow up studies showed only 58.4% of eligible families with incomes between $0 and $49,999 claimed the ARPA CTC in 2021.[xxi] Lower income Colorado families who received the CTC were more likely to spend the lump sum on paying down high interest debt, while higher income families were more likely to save the CTC.[xxii]

The Colorado child tax credit portion of the FATC and Colorado EITC will be added to the federal tax credits already in place. Figures 9 and 10 highlight the impact of the CTC and EITC on low-income families. Note that at many income levels families run at a deficit throughout the year and the Colorado CTC and EITC bring them to a slight net positive annual income. As indicated previously, families tend to spend lump sum refundable tax credits on paying down high interest debt and other household expenses related to the child(ren).

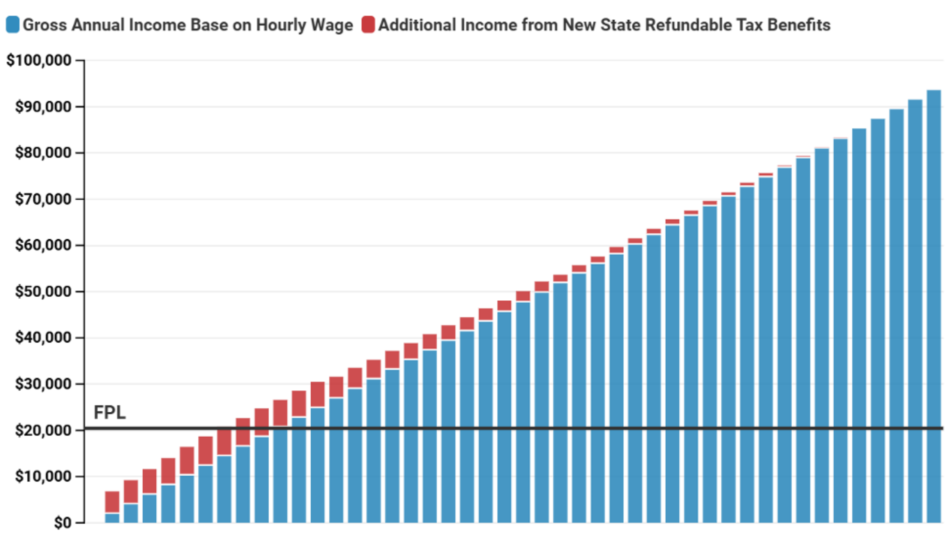
While nationally ARPA CTC benefits have been shown to have reduced child poverty on a large scale, the evidence for Colorado is not yet known. The FPL for a two-person household is an annual income less than $20,440 and is $25,820 for a three-person household.

Figure 8 shows an income range for a single filer with one child under the age of six. For low-income earners with two individuals in the household (one parent and one child) and an annual income between $14,560 to $18,720, the additional income provided by the expanded CTC and EITC boost these households above the FPL, technically removing them from poverty.

FIGURE 8

Impact of State CTC and EITC Benefits on a Single Filer with One Child

Depicted in blue is a single filer's annual gross income. Colorado's CTC and EITC payments are shown in red. The federal poverty level (FPL) for a 2-person household is $20,440. As seen, the additional state benefits boost those with income of between $14,560 and $18,720 above the FPL.



Qualifying households with three individuals (single parent and two children) earning between $16,640 and $24,960 will see their annual income rise above the FPL threshold due to the added tax credit benefits.

There is a distinction, however, between moving above the FPL and moving into self-sufficiency.

When proponents of CTCs say families who receive them are moved out of poverty, they are accounting for the family's household income, including tax credits and comparing it to the FPL. As a previous CSI report from this fellowship noted, the FPL is well shy of the self-sufficiency standard for most counties in Colorado, meaning that though families may be above the FPL, they may still be short of a household income level that allows them to be self-sufficient in our state.[xxiii]

The Institute on Tax and Economic Policy (ITEP) estimates a CTC in Colorado of $3,600 for older children and $4,300 for younger children (under 6) would yield a 50% reduction in child poverty in the state.[xxiv] With the implementation of the FATC, it will be essential to determine if families are, indeed, moved out of poverty by examining the long-term impact on household incomes.

Another factor to consider is whether the CTC when paid annually in a lump sum has a lasting impact on child poverty or is a temporary reprieve. Monthly CTC payments reduced food insecurity for low-income families, whereas lump sum payments were more likely to be used to pay off debt and used to decrease housing hardship.[xxv] Likely, the cycle of getting into debt begins again as the family moves into the upcoming year since only a small percentage of low-income families reported saving their CTCs.

Given that the primary goal for increasing CTCs is to move children and families out of poverty, it seems worth considering if distributing the CTCs monthly could have a more immediate impact on poverty reduction, particularly food insecurity and monthly volatility in earnings. This is addressed further in the recommendations.

DO CTCS IMPACT EMPLOYMENT?

Several factors influence whether families live in poverty, including the head of household's education level, whether the family has married adults within the household, the household adults' employment level, along with the persistence of employment. Of all these factors, studies have shown the most impactful way to reduce poverty is to increase work.[xxvi]

With the implementation of HB24-1311, the maximum CTC will be paid to the families earning the least, with a decrease in the eligibility amount as income increases. The EITC has been shown to improve labor force participation.

To examine the impact of CTCs on employment, scholars at American Enterprise Institute looked at employment levels for families who qualify for the CTC and those who did not. They found a large employment difference between those who were ineligible for the federal CTC and those who met the income eligibility requirement. Regardless of household size, nearly all parents with incomes high enough to qualify for the CTC worked, whereas only about half of those who were ineligible did. Parents in this latter group were also less likely to work full-time.[xxvii]

Another study out of the U.S. Office of Tax Analysis found an 8.4% reduction in the likelihood of a parent working when the child turns 17 and the household is no longer eligible for the CTC, suggesting CTCs did provide incentive to work.[xxviii]

However, other researchers found the fully refundable CTC from the ARPA implementation had no effect on labor force participation rate overall, nor total hours worked.[xxix] A slight but statistically significant difference in labor force participation was found if researchers isolated single women with low education levels, finding a lower level of employment for this group.[xxx] Again, this difference could be attributable to the effects of the pandemic when women were more likely to lose their jobs. Among parents with household incomes less than $75,000, one quarter said the CTC allowed them to work, or work more.[xxxi]

> *Studies have shown the most impactful way to reduce poverty is to increase work.*

Because financial scarcity creates time scarcity, CTCs paid periodically could help decrease barriers to work that come from challenges related to monthly budget pressures. When every dollar is allocated to expenses before it is earned, most people are unable to take time off to improve their work prospects. This includes creating space for completing training or coursework that leads to full-time employment.[xxxii]

Employment is essential. When an individual works at least 30 weeks out of the year, their exit from poverty increases 16% over working only 20 weeks. These same individuals have a one-third lower chance of re-entering poverty.[xxxiii] A study from 2018 cited that for people who are long-term employed, which is the majority of a 36-month period, the incidence of poverty is only 2.6%. Additionally, policies that affect labor force attachment are more likely to impact poverty – especially persistent poverty – than increasing wages alone.[xxxiv]

As the FATC is implemented, it will be important to track employment levels to ensure that work continues to be a part of families' success, even if it is not required to receive the CTC. The large increase in funding necessitates that the legislature takes the appropriate steps to ensure that the CTC and FATC programs are incentivizing work and producing positive outcomes.

RECOMMENDATIONS

Collect and Report Data that Can Monitor Impacts of New Refundable Tax Credits

- The state should measure the impacts of these fully refundable tax credits on employment and poverty. The fiscal note acknowledges that available data streams may be insufficient to evaluate the tax credits in line with their intent, so data gaps should be evaluated thoroughly, and recommendations should be made regarding how to adequately collect the data needed.
- Evidence from other programs suggests that expanded child tax credits have limited impacts on employment, but these credits had income thresholds and/or were only temporary. Examining the potential for unintended consequences of Colorado's more generous credits will be critical.
- Though expanded tax credits will push some families above the FPL, future reporting should help to understand their long-term impacts on poverty due to lump-sum payments and the potential for intermittent funding.

Weigh Benefits of Moving to Monthly Payments

- Surveys or other means should be used to evaluate how families utilize the lump-sum CTC payments. The recent CTC bill "authorized and encouraged" the Colorado Department of Revenue to move at least some portion of CTCs to monthly payments to increase the likelihood that families use the funds for basic needs. Surveys will also help to determine each credit's impact on indicators of poverty such as food scarcity and housing instability.

Examine Merits of Pathway to Permanent Funding

- If the programs successfully reduce poverty and don't disincentivize work, permanent sources of funding from existing revenue streams could be pursued. Though the expanded tax credits currently draw from TABOR refunds, instead using the annual growth from existing taxes would free up future TABOR refunds and eliminate uncertainty about the future availability of the credits.
- If data shows a disincentive to work the policy should be updated to include an income or minimum hours of work threshold.
- Evidence of any success from these programs must also be measured against other policy priorities to determine if sustained funding is prudent. The current funding structure does not raise the issue of weighing the benefits of the tax credits against other spending priorities. Given the expense of permanent funding, precedence should be given to policies that lower the cost of living in `Colorado rather than those that simply redistribute wealth.

BOTTOM LINE

Low-income families in Colorado are set to receive substantial boosts to their household finances following state and federal tax reforms. Still, though the new refundable child tax credits and earned income tax credits are being heralded as transformative means of reducing poverty, more time and research is needed to determine their full impacts.

The true test of these measures will be whether they can break cycles of poverty by strengthening the incentive to work, rather than simply elevate some people's incomes above the statistical poverty line.

Through further study of the impacts on recipients, reforms will be needed to address funding uncertainty and to increase the impact on recipients.

Through the loss of TABOR refunds, Coloradans have invested heavily in the future of these expanded tax credits. Further research and transparency will go a long way to both improving the program and allowing taxpayers to weigh the full costs and benefits.

APPENDIX

FIGURE 9

*Courtesy of Torch Tech

Single Filer with One Child Under 6						
Wage ($/hr)	Gross Annual Income	Net Annual Income After State and Federal Benefits	CO EITC	CO CTC w 1 Child Under 6	Total Co CTC & EITC Tax Benefits	Net Annual Income after Co CTC & EITC Benefits
1	$2,080	$(24,892)	$322	$4,400	$4,722	$(20,169)
2	$4,160	$(22,418)	$645	$4,400	$5,045	$(17,374)
3*	$6,240	$(23,046)	$967	$4,400	$5,367	$(17,679)
4	$8,320	$(19,790)	$1,290	$4,400	$5,690	$(14,100)
5	$10,400	$(16,534)	$1,612	$4,400	$6,012	$(10,521)
6	$12,480	$(13,599)	$1,822	$4,400	$6,222	$(7,377)
7	$14,560	$(12,080)	$1,822	$4,400	$6,222	$(5,858)
8	$16,640	$(10,666)	$1,822	$4,180	$6,002	$(4,664)
9	$18,720	$(9,272)	$1,822	$4,180	$6,002	$(3,271)
10	$20,800	$(7,963)	$1,822	$3,960	$5,782	$(2,181)
11	$22,880	$(7,068)	$1,726	$3,960	$5,686	$(1,383)
12	$24,960	$(6,194)	$1,574	$3,960	$5,534	$(660)
13**	$27,040	$(5,879)	$1,422	$3,140	$4,562	$(1,316)
14	$29,120	$(5,190)	$1,271	$3,140	$4,411	$(779)
15	$31,200	$(4,697)	$1,119	$2,920	$4,039	$(658)
16	$33,280	$(4,250)	$968	$2,920	$3,888	$(363)
17	$35,360	$(3,831)	$816	$2,700	$3,516	$(315)
18***	$37,440	$(4,338)	$665	$2,700	$3,365	$(974)
19	$39,520	$(3,641)	$513	$2,700	$3,213	$(428)
20	$41,600	$(2,921)	$361	$2,480	$2,841	$(79)
21	$43,680	$(2,267)	$210	$2,480	$2,690	$422
22	$45,760	$(1,618)	$58	$2,260	$2,318	$701
23	$47,840	$(667)	$-	$2,260	$2,260	$1,593

Wage ($/hr)	Gross Annual Income	Net Annual Income After State and Federal Benefits	CO EITC	CO CTC w 1 Child Under 6	Total Co CTC & EITC Tax Benefits	Net Annual Income after Co CTC & EITC Benefits
24	$49,920	$399	$-	$2,260	$2,260	$2,659
25	$52,000	$991	$-	$1,640	$1,640	$2,631
26	$54,080	$1,964	$-	$1,640	$1,640	$3,604
27	$56,160	$2,975	$-	$1,420	$1,420	$4,395
28	$58,240	$4,011	$-	$1,420	$1,420	$5,431
29	$60,320	$4,736	$-	$1,200	$1,200	$5,936
30	$62,400	$5,749	$-	$1,200	$1,200	$6,949
31****	$64,480	$(3,830)	$-	$1,200	$1,200	$(2,630)
32	$66,560	$(2,592)	$-	$980	$980	$(1,612)
33	$68,640	$(1,365)	$-	$980	$980	$(385)
34	$70,720	$64	$-	$760	$760	$824
35	$72,800	$1,643	$-	$760	$760	$2,403
36	$74,880	$3,223	$-	$760	$760	$3,983
37	$76,960	$4,603	$-	$340	$340	$4,943
38	$79,040	$6,183	$-	$340	$340	$6,523
39	$81,120	$7,715	$-	$120	$120	$7,835
40	$83,200	$9,087	$-	$120	$120	$9,207
41	$85,280	$10,459	$-	$-	$-	$10,459
42	$87,360	$11,831	$-	$-	$-	$11,831
43	$89,440	$13,202	$-	$-	$-	$13,202
44	$91,520	$14,574	$-	$-	$-	$14,574
45	$93,600	$15,946	$-	$-	$-	$15,946

*The filer is no longer eligible for TANF (Temporary Assistance for Needy Families)

**The filer is no longer eligible for Medicaid

***The filer is no longer eligible for SNAP

****The filer is no longer eligible for CCCAP (Colorado Child Care Assistance Program)

FIGURE 10

*Courtesy of Torch Tech

Single Filer with Two Children Under 6						
Wage ($/hr)	Gross Annual Income	Net Annual Income After State and Federal Benefits	CO EITC	CO CTC w 2 Children Under 6	Total Co CTC & EITC Tax Benefits	Net Annual Income after CTC & EITC Benefits
1	$2,080	$(24,757)	$379	$7,600	$7,979	$(16,777)
2	$4,160	$(22,134)	$759	$7,600	$8,359	$(13,775)
3*	$6,240	$(24,028)	$1,138	$7,600	$8,738	$(15,290)
4	$8,320	$(20,622)	$1,518	$7,600	$9,118	$(11,505)
5	$10,400	$(17,216)	$1,897	$7,600	$9,497	$(7,719)
6	$12,480	$(13,810)	$2,276	$7,600	$9,876	$(3,934)
7	$14,560	$(10,880)	$2,656	$7,600	$10,256	$(624)
8	$16,640	$(8,030)	$3,011	$7,160	$10,171	$2,141
9	$18,720	$(6,117)	$3,011	$7,160	$10,171	$4,055
10	$20,800	$(4,203)	$3,011	$6,720	$9,731	$5,528
11	$22,880	$(2,716)	$2,885	$6,720	$9,605	$6,888
12	$24,960	$(1,813)	$2,685	$6,720	$9,405	$7,591
13	$27,040	$(2,083)	$2,485	$5,680	$8,165	$6,082
14	$29,120	$(1,379)	$2,285	$5,680	$7,965	$6,586
15	$31,200	$(676)	$2,086	$5,240	$7,326	$6,649
16**	$33,280	$(65)	$1,886	$5,240	$7,126	$7,061
17	$35,360	$415	$1,686	$4,800	$6,486	$6,901
18	$37,440	$735	$1,486	$4,800	$6,286	$7,022
19	$39,520	$1,010	$1,287	$4,800	$6,087	$7,096
20	$41,600	$1,261	$1,087	$4,360	$5,447	$6,708
21	$43,680	$1,504	$887	$4,360	$5,247	$6,751
22	$45,760	$1,761	$687	$3,920	$4,607	$6,368
23***	$47,840	$671	$488	$3,920	$4,408	$5,079
24	$49,920	$1,307	$288	$3,920	$4,208	$5,515
25	$52,000	$1,143	$88	$3,080	$3,168	$4,311
26	$54,080	$2,058	$-	$3,080	$3,080	$5,138
27	$56,160	$3,189	$-	$2,640	$2,640	$5,829
28	$58,240	$4,306	$-	$2,640	$2,640	$6,946
29	$60,320	$5,032	$-	$2,200	$2,200	$7,232
30	$62,400	$6,093	$-	$2,200	$2,200	$8,293
31	$64,480	$7,140	$-	$2,200	$2,200	$9,340
32	$66,560	$8,171	$-	$1,760	$1,760	$9,931
33	$68,640	$9,188	$-	$1,760	$1,760	$10,948
34	$70,720	$10,254	$-	$1,320	$1,320	$11,574
35	$72,800	$11,292	$-	$1,320	$1,320	$12,612

36	$74,880	$12,319	$-	$1,320	$1,320	$13,639
37	$76,960	$12,938	$-	$680	$680	$13,618
38	$79,040	$13,947	$-	$680	$680	$14,627
39****	$81,120	$(10,335)	$-	$240	$240	$(10,095)
40	$83,200	$(9,303)	$-	$240	$240	$(9,063)
41	$85,280	$(8,280)	$-	$0	$-	$(8,280)
42	$87,360	$(7,267)	$-	$0	$-	$(7,267)
43	$89,440	$(6,263)	$-	$0	$-	$(6,263)
44	$91,520	$(5,269)	$-	$0	$-	$(5,269)
45	$93,600	$(4,135)	$-	$0	$-	$(4,135)

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