

Sales Tax Revenue Impacts in Colorado Since Start of The Pandemic

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Sales tax revenues across Colorado cities and counties reflect varied economic and budgetary impacts following the March stay-at-home orders and the continued social distancing measures. Some regions are seeing large declines in revenue and taxable sales relative to 2019, as others remain nearly equal, or even above 2019 levels.

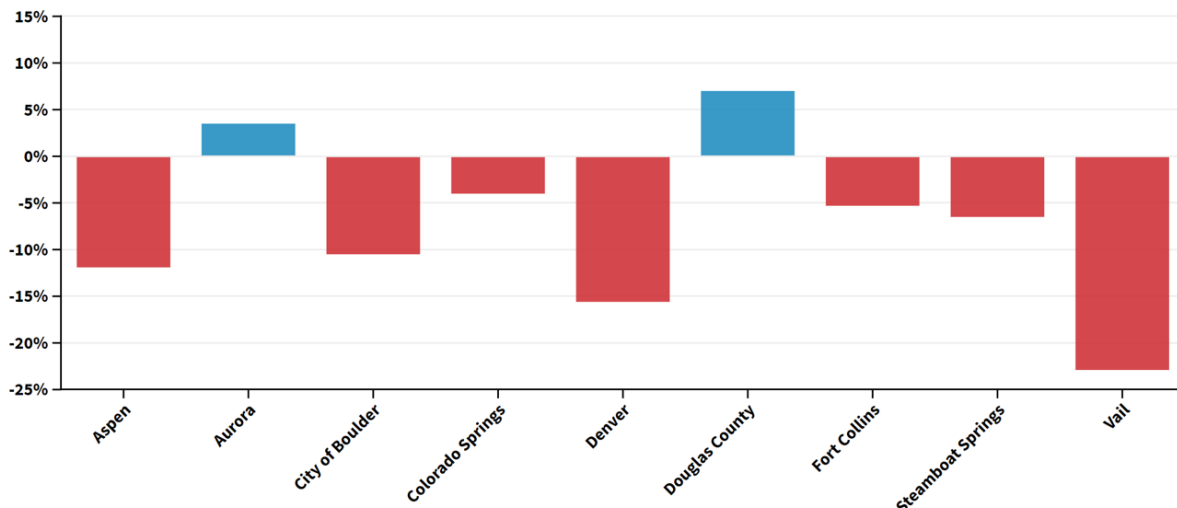
While many communities saw strong recoveries following late spring lows, **Colorado currently faces a third wave of cases that has started to trigger stricter state and local social distancing restrictions, established by the state’s new COVID-19 Dial framework.**ⁱ Given the impacts seen over the last 7 months, and likelihood of stricter distancing measures to come, both taxpayers and elected officials should be aware of the near and long-term economic implications.

Key Findings:

- While several cities showed slightly lower sales and use tax revenue prior to the pandemic, no city was spared from experiencing sharp monthly declines in at least one month through March to May.
- **As of August, seven of the nine cities/counties shown had negative year-to-date (YTD) sales and use tax revenue.**
 - Vail revenue was down 23% YTD, or \$4.8 million.
 - Denver revenue was down nearly 16% YTD, or \$76.5 million
 - **Aurora and Douglas County, two larger commuter areas, had an increase in YTD revenue as of August 2020.**
 - Aurora increased 4% in YTD revenue, or \$4.7 million.
 - Douglas County increased 8% in YTD revenue, or \$2.5 million.

What Do Tax Collections Look Like in Colorado Amidst A Pandemic?

These bars show the differences in cumulative tax collections from January through August of 2020 relative to the same period in 2019. A negative value indicates that the 2020 year-to-date collections are lower than the 2019 YTD collections for the same months.



Source: Local Finance Departments • Common Sense Institute

Definition Guide

Sales Tax Collections: the dollar amount a county or city collects based off taxable sales during a specific period.

Taxable Sales: the total dollar amount of purchased goods and services subject to taxation.

Unemployment Rate: the percent of people in the labor force without jobs.

Year-to-date: the cumulative dollar amount of each month in the calendar year through the most recent month.

Monthly Sales Tax Collections: A Comparison of Revenue During COVID-19 (% change is 2020 relative to same month in 2019)								
City	January	February	March	April	May	June	July	August
Aspen	6.9%	14.6%	-45.9%	-39.5%	-23.3%	-16.8%	-9.6%	-0.5%
Aurora	11.0%	13.9%	1.7%	1.4%	-12.6%	0.1%	10.9%	-1.8%
Boulder	8.0%	34.7%	-23.3%	-13.8%	-15.7%	-18.0%	-49.7%	23.2%
Colorado Springs	2.4%	-0.8%	1.6%	-13.9%	-21.8%	-3.3%	0.3%	2.6%
Denver	16.5%	-9.1%	21.2%	-23.5%	-24.1%	-25.0%	-16.2%	-14.7%
Douglas County	15.4%	12.8%	-2.2%	-0.8%	6.2%	17.1%	1.4%	7.9%
Fort Collins	9.4%	-9.8%	-0.2%	-11.3%	-23.9%	-3.5%	-2.4%	-3.9%
Steamboat Springs	6.5%	11.9%	-29.0%	-26.1%	-3.6%	-11.3%	-4.9%	1.2%
Vail	-0.4%	-0.2%	-46.4%	-75.4%	-43.5%	-36.5%	-18.8%	-15.0%

2020 August Sales Tax Collections, COVID Cases, and Unemployment Rate by City/County				
City/County	Year-to-date Sales Tax Collections through August 2020	Year-to-date difference in sales tax collections	COVID-19 Cases as a %	August Unemployment Rate by Area
Aspen	-11.9%	-\$1,413,408	0.162%	7.8%
Aurora	3.5%	\$4,707,299	0.175%	7.5%
City of Boulder	-10.5%	-\$9,402,149	0.124%	5.8%
Colorado Springs	-4.0%	-\$4,945,372	0.200%	3.9%
Denver	-15.6%	-\$76,488,078	0.213%	7.9%
Douglas County	7.0%	\$2,593,679	0.106%	5.1%
Fort Collins	-5.3%	-\$4,911,909	0.159%	5.6%
Steamboat Springs	-6.5%	-\$1,213,373	0.106%	6.5%
Vail	-22.9%	-\$4,810,884	0.256%	7.8%

Impact on Colorado Counties Taxable Sales

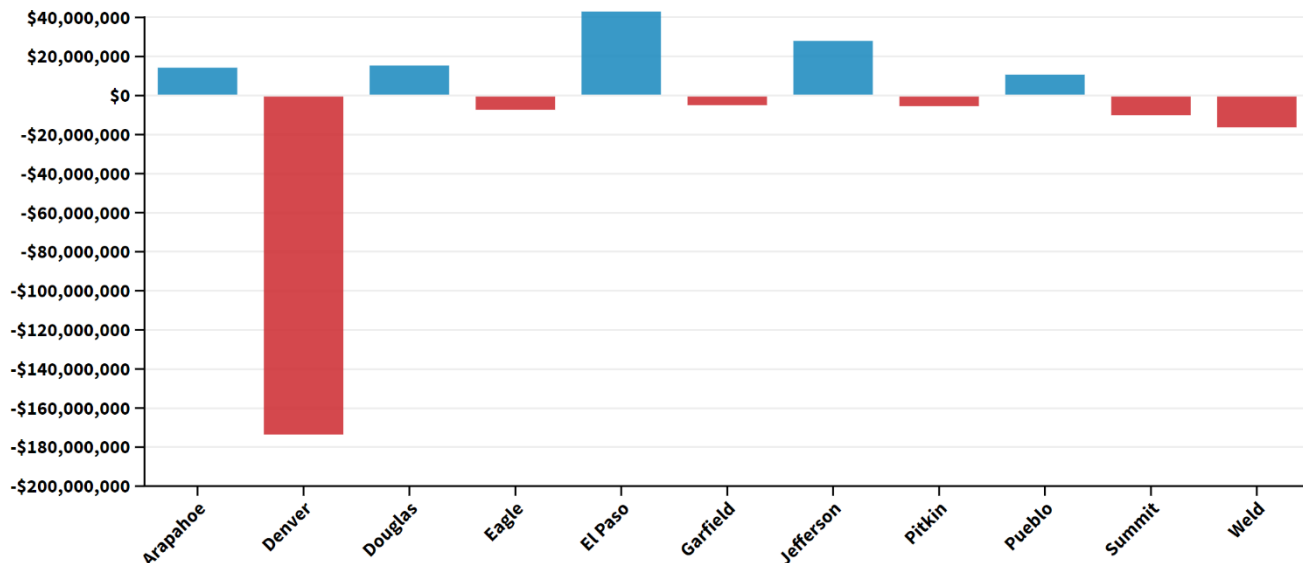
The Colorado Department of Revenue releases a monthly County report summarizing the number of returns, gross sales, retail sales, state net taxable sales, and state sales tax.ⁱⁱ Understanding the decrease in taxable sales relative to a county’s openness can help policymakers and citizens understand the importance of looking at COVID on a case-by-case basis rather than a one-size-fits all method.

Key Findings:

- In April, 38 of the state’s 64 counties had lower YTD taxable sales relative to 2019. **As of August, 12 of those 38 counties continued to have lower taxable sales YTD.**
- As of August, 16 counties of the state’s 64 counties had negative YTD taxable sales relative to 2019.
 - Arapahoe, Douglas, and Jefferson are among some of the largest front range commuter counties that had negative YTD taxable sales through April, yet by August were positive.
 - Jackson County YTD taxable sales in August was 57% below 2019 YTD levels, yet had a UE rate of 3.6%.
 - **Denver County had a 18% decrease in YTD through August, a \$174 million shortfall in August, and a UE rate of 8%.**

What Do Taxable Sales Look Like in Colorado Amidst A Pandemic?

The bars show the differences in cumulative year-to-date taxable sales across select Colorado counties in 2020, relative to 2019. A red bar/negative value indicates lower YTD revenue in 2020 compared to 2019.



Source: [Colorado Department of Revenue](#) • Common Sense Institute

Taxable Sales by County: A Comparison of Revenue During COVID-19 (2020 is relative to 2019 months)

County	January	February	March	April	May	June	July	August
Statewide	11.05%	12.01%	4.39%	-1.64%	-2.04%	-1.67%	-1.42%	-1.25%
Adams	12.1%	10.5%	-8.2%	-17.4%	0.8%	3.9%	-2.0%	-1.5%
Alamosa	8.8%	6.8%	-3.9%	-7.9%	0.0%	-1.9%	7.5%	0.5%
Arapahoe	14.9%	13.8%	-6.4%	-19.9%	0.4%	7.7%	5.6%	3.0%
Archuleta	26.1%	37.4%	0.1%	9.8%	20.7%	17.3%	16.4%	21.9%
Baca	17.5%	30.6%	41.4%	31.2%	58.2%	125.1%	81.8%	13.3%
Bent	39.8%	31.2%	51.2%	3.8%	23.5%	26.1%	34.0%	-0.1%
Boulder	15.5%	20.9%	-4.6%	-19.5%	-5.7%	1.1%	-2.7%	-3.4%
Broomfield	11.6%	18.5%	14.0%	-19.5%	-9.1%	20.8%	3.4%	-4.7%
Chaffee	16.3%	15.6%	-5.9%	-13.6%	1.9%	7.2%	12.4%	13.3%
Cheyenne	330.1%	150.8%	250.0%	4.5%	26.9%	-36.2%	-71.0%	-67.9%
Clear Creek	62.3%	22.3%	-13.0%	-15.5%	-3.7%	10.6%	-0.1%	0.9%
Conejos	31.9%	46.6%	68.1%	63.0%	61.5%	46.3%	52.2%	26.8%
Costilla	62.5%	34.3%	67.5%	52.4%	112.1%	66.3%	15.6%	4.1%
Crowley	48.9%	79.0%	33.4%	37.2%	33.5%	33.7%	50.5%	32.1%
Custer	32.6%	33.8%	42.2%	32.6%	11.8%	3.7%	27.0%	13.7%
Delta	15.5%	26.3%	6.8%	2.4%	19.8%	10.4%	10.5%	13.7%
Denver	1.6%	3.5%	-18.6%	-36.0%	-28.5%	-22.9%	-19.1%	-16.6%
Dolores	18.4%	9.6%	27.9%	-8.1%	14.2%	22.0%	37.0%	54.6%
Douglas	14.5%	16.9%	-3.1%	-14.5%	3.4%	6.9%	5.6%	9.3%
Eagle	9.6%	14.2%	-35.3%	-39.1%	-0.9%	-6.6%	0.6%	5.6%
El Paso	13.1%	13.6%	-2.4%	-9.9%	8.5%	8.2%	11.0%	10.2%
Elbert	41.2%	36.8%	35.2%	27.8%	31.6%	27.9%	24.5%	29.2%
Fremont	21.6%	22.7%	11.5%	8.4%	22.6%	21.5%	19.1%	14.1%
Garfield	-5.2%	8.8%	-15.1%	-25.2%	-6.7%	0.2%	-0.2%	-5.9%
Gilpin	54.6%	21.9%	-21.2%	-34.0%	-43.9%	-33.5%	-8.6%	-20.7%
Grand	18.7%	18.2%	-26.5%	-28.9%	10.0%	-4.1%	5.5%	15.2%
Gunnison	14.4%	18.6%	-25.8%	-6.9%	4.6%	1.4%	1.0%	7.2%
Hinsdale	-3.7%	92.3%	10.7%	53.4%	41.4%	47.3%	22.6%	24.9%
Huerfano	6.7%	14.9%	12.1%	9.7%	16.2%	-2.3%	5.0%	4.0%
Jackson	-62.6%	-53.9%	-68.8%	-61.5%	-57.9%	-55.1%	-38.7%	-51.7%
Jefferson	14.7%	20.1%	-1.5%	-10.9%	5.3%	7.1%	6.8%	5.2%
Kiowa	16.0%	61.1%	-6.6%	17.5%	34.4%	36.6%	21.6%	16.9%
Kit Carson	31.9%	28.1%	19.3%	8.9%	24.2%	30.4%	14.9%	21.9%
Lake	11.0%	9.6%	0.7%	-5.2%	5.5%	18.3%	17.3%	3.1%
La Plata	7.5%	14.4%	46.3%	-15.1%	-0.7%	6.7%	8.8%	14.2%
Larimer	13.6%	12.1%	-6.2%	-18.5%	-0.7%	4.0%	2.3%	-0.3%
Las Animas	3.2%	5.1%	3.2%	-14.6%	4.4%	1.4%	2.3%	1.9%
Lincoln	46.0%	26.5%	28.1%	-2.5%	-18.6%	-33.7%	-28.0%	-68.2%
Logan	1.5%	13.7%	2.3%	-6.5%	13.2%	9.3%	5.1%	2.1%
Mesa	-9.6%	7.6%	-7.5%	-18.8%	-0.9%	1.6%	6.6%	0.2%
Mineral	12.1%	0.4%	-20.2%	-1.2%	-3.9%	-5.1%	-7.7%	0.6%

Moffat	8.8%	5.0%	8.3%	6.4%	17.6%	14.0%	8.6%	-1.2%
Montezuma	10.2%	28.1%	0.0%	-4.4%	12.6%	6.4%	8.2%	12.6%
Montrose	2.0%	13.2%	-4.2%	-8.9%	12.2%	12.0%	10.8%	6.4%
Morgan	16.5%	7.4%	4.2%	-15.8%	-11.2%	-7.8%	-5.4%	-14.5%
Otero	8.0%	13.9%	7.3%	2.3%	13.8%	10.7%	19.4%	7.3%
Ouray	32.2%	40.7%	13.4%	-2.3%	11.4%	10.7%	14.4%	24.4%
Park	52.3%	49.0%	37.9%	12.3%	28.0%	23.9%	25.3%	37.9%
Phillips	22.2%	14.2%	23.3%	33.5%	30.2%	38.4%	34.8%	31.1%
Pitkin	15.2%	21.0%	-42.3%	-45.7%	-6.6%	-20.8%	2.0%	4.6%
Prowers	16.3%	29.9%	16.5%	15.7%	24.0%	22.3%	8.2%	8.8%
Pueblo	15.6%	13.3%	-4.7%	-2.7%	20.0%	13.7%	14.2%	6.0%
Rio Blanco	-21.9%	7.9%	0.2%	-0.5%	-12.1%	-2.5%	-5.8%	-30.5%
Rio Grande	15.4%	3.3%	4.0%	2.3%	22.9%	16.8%	15.3%	14.3%
Routt	16.7%	19.5%	-25.1%	-13.1%	0.6%	-0.6%	0.5%	4.6%
Saguache	39.7%	31.3%	33.7%	20.3%	15.2%	6.7%	9.7%	13.3%
San Juan	35.4%	26.1%	-15.3%	-4.0%	-41.9%	-23.8%	-4.1%	2.7%
San Miguel	20.7%	14.8%	-30.8%	-17.1%	-16.5%	-21.4%	5.5%	15.5%
Sedgwick	22.7%	7.2%	9.2%	17.8%	9.8%	34.1%	1.3%	0.6%
Summit	10.4%	9.0%	-40.5%	-49.0%	-23.0%	-12.3%	1.9%	4.9%
Teller	37.2%	25.7%	25.7%	15.2%	22.5%	11.9%	13.7%	10.0%
Washington	44.2%	56.6%	47.7%	39.7%	21.0%	20.2%	20.3%	-1.1%
Weld	13.6%	13.7%	-2.3%	-14.8%	-12.1%	-10.8%	-13.8%	-7.4%
Yuma	19.5%	16.0%	6.9%	14.3%	24.3%	35.5%	17.8%	24.5%

2020 August Taxable Sales, COVID Cases, and Unemployment Rate by County

County	August Year-to-date Taxable Sales 2020 Compared to 2019		August COVID-19 Cases as a Percent of the Population	August Unemployment Rate by County
	% Change	\$ Difference		
Statewide	-1.25%	-\$896,656,000	0.17%	6.7%
Adams	-0.7%	-\$4,385,518	0.28%	7.5%
Alamosa	1.0%	\$167,076	0.08%	5.9%
Arapahoe	2.0%	\$14,238,350	0.18%	7.5%
Archuleta	18.0%	\$1,834,227	0.10%	6.5%
Baca	52.2%	\$508,277	0.06%	2.0%
Bent	24.1%	\$251,919	0.10%	4.3%
Boulder	-0.7%	-\$2,236,724	0.12%	5.8%
Broomfield	4.1%	\$3,165,623	0.18%	6.0%
Chaffee	6.2%	\$1,463,926	0.14%	4.9%
Cheyenne	-6.7%	-\$127,694	0.05%	2.5%
Clear Creek	7.4%	\$661,338	0.08%	7.6%
Conejos	48.1%	\$578,370	0.10%	4.7%
Costilla	47.1%	\$213,291	0.25%	7.9%
Crowley	42.3%	\$363,561	0.02%	4.6%
Custer	21.3%	\$308,749	0.14%	4.3%
Delta	12.6%	\$1,983,611	0.19%	5.9%
Denver	-17.8%	-\$173,565,569	0.21%	7.9%

Dolores	24.4%	\$253,954	0.05%	5.7%
Douglas	4.5%	\$15,376,720	0.11%	5.1%
Eagle	-5.9%	-\$7,244,689	0.26%	7.8%
El Paso	6.4%	\$42,946,138	0.20%	3.9%
Elbert	31.0%	\$2,136,850	0.13%	6.2%
Fremont	17.6%	\$4,375,170	0.10%	7.0%
Garfield	-6.2%	-\$4,966,930	0.23%	5.7%
Gilpin	-11.8%	-\$781,153	0.02%	10.7%
Grand	1.3%	\$481,264	0.13%	6.5%
Gunnison	1.5%	\$377,190	0.25%	4.8%
Hinsdale	31.0%	\$288,903	0.00%	3.1%
Huerfano	7.2%	\$248,577	0.04%	9.4%
Jackson	-56.7%	-\$1,265,253	0.07%	3.6%
Jefferson	5.4%	\$27,924,237	0.15%	6.4%
Kiowa	22.6%	\$94,913	0.00%	2.2%
Kit Carson	22.2%	\$818,447	0.43%	2.5%
Lake	10.1%	\$5,964,168	0.07%	5.5%
La Plata	8.2%	\$341,619	0.13%	6.6%
Larimer	0.4%	\$1,455,858	0.16%	5.6%
Las Animas	0.8%	\$86,940	0.03%	7.3%
Lincoln	-26.4%	-\$1,631,436	0.04%	4.2%
Logan	5.0%	\$698,460	0.19%	4.6%
Mesa	-2.7%	-\$4,264,942	0.09%	6.2%
Mineral	-3.8%	-\$42,185	0.12%	3.9%
Moffat	8.4%	\$1,059,367	0.07%	5.5%
Montezuma	8.5%	\$1,409,510	0.06%	6.1%
Montrose	5.6%	\$2,158,781	0.15%	5.9%
Morgan	-4.3%	-\$926,877	0.13%	5.9%
Otero	10.3%	\$954,636	0.15%	5.8%
Ouray	17.3%	\$919,769	0.25%	5.8%
Park	31.2%	\$2,076,989	0.01%	4.9%
Phillips	28.9%	\$562,548	0.00%	2.3%
Pitkin	-6.3%	-\$5,395,000	0.16%	7.8%
Prowers	17.3%	\$1,168,239	0.30%	4.3%
Pueblo	9.2%	\$10,724,588	0.15%	7.3%
Rio Blanco	-9.7%	-\$433,745	0.26%	5.1%
Rio Grande	12.5%	\$968,235	0.06%	6.8%
Routt	0.7%	\$309,540	0.11%	6.5%
Saguache	18.9%	\$476,392	0.07%	7.5%
San Juan	-6.4%	-\$107,536	0.46%	3.9%
San Miguel	-1.8%	-\$361,484	0.20%	7.2%
Sedgwick	12.4%	\$104,673	0.05%	2.9%
Summit	-10.5%	-\$10,093,094	0.13%	8.1%
Teller	18.7%	\$3,205,824	0.19%	5.9%
Washington	29.8%	\$456,297	0.12%	3.6%
Weld	-5.2%	-\$16,246,404	0.16%	6.6%
Yuma	20.4%	\$1,086,544	0.01%	2.9%

After several months of enduring the COVID29 restrictions, it is evident that select cities and counties were hit harder than others. There are likely many factors contributing to the economic turmoil brought upon in 2020, a few potential reasons are listed below.

- **City industry mix** – Cities such as Vail and Aspen are amongst a few mountain communities that had disproportionate employment impacts due to share of regional economy contributed by large ski resorts which were forced to end their winter seasons very early.
- **City mix of residential vs. commercial** – Denver, which typically benefits from large numbers of in-commuters, faced larger revenue losses due to the near elimination of daily commuters, business travelers, and evening commuters going to events or dinners. Cities and counties outside the urban core may benefit from local citizens staying in their homes and shopping more locally than usual.
- **Degree to which businesses stayed open and consumers have returned to normal spending Patterns** – While the State’s executive administration issued many statewide orders related to public health, including the March and April Safer-at-Home orders, some cities implemented stricter polices, while others received exemptions. There is an apparent difference between the citizens of different counties or cities responses to the orders. In some regions, people have continued to shop in retail stores or frequent restaurants and bars at higher rates than others.

Sources

Colorado Covid-19 webpage: <https://covid19.colorado.gov/data>

Colorado Department of Revenue: <https://cdor.colorado.gov/retail-sales-reports>

City of Aspen: <https://cityofaspen.com/417/Financial-Reports>

City of Boulder: <https://bouldercolorado.gov/tax-license/revenue-reports>

City of Colorado Springs: <https://coloradosprings.gov/sales-tax/page/sales-tax-reports?mlid=28876>

City of Fort Collins: <https://www.fcgov.com/salestax/salesreport.php>

City of Steamboat Springs: <https://steamboatsprings.net/DocumentCenter/Index/14>

City of Vail: <https://vailgov.com/departments/finance/financial-reports>

Aurora, Denver, and Douglas variables were collected from a point of contact in their sales tax department.

ⁱ <https://covid19.colorado.gov/data/covid-19-dial/covid-19-dial-dashboard>

ⁱⁱ <https://cdor.colorado.gov/retail-sales-reports>