

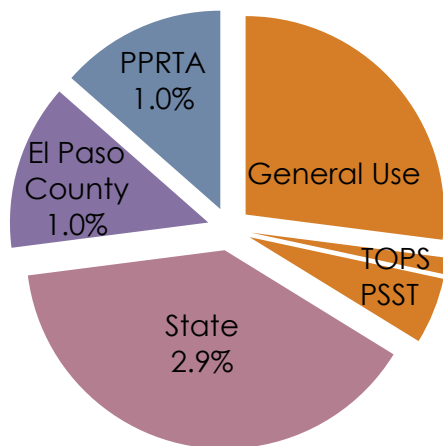
# Taxes Overview

## Purpose

This section presents an overview of the various taxes collected within the boundaries of the City of Colorado Springs and displays the portion of those taxes that is collected as tax revenue for the City. Tax revenue is a significant portion of the City's total revenue, which funds essential City services. For detailed information on General Fund tax revenue refer to the Revenue Overview section on page 1-23.

## Sales Tax

The Sales Tax Rate is **7.4%**



### CITY'S PORTION OF THE SALES TAX

General Use	2.0%
TOPS (Restricted Use)	0.1%
PSST (Restricted Use)	0.4%
<b>Total City portion</b>	<b>2.5%</b>

**2.5%** IS THE CITY'S SHARE OF THE SALES TAX RATE

**2.0%** is for General Use – This portion of the sales tax is used to fund traditional City services such as Police, Fire, Streets, Parks and Planning.

**0.1%** is for Trails, Open Space and Parks (TOPS) (Restricted Use) – This portion of the sales tax is specifically dedicated to provide a means of acquiring and preserving new open space and providing parks and trails for recreational purposes on any public sites within the city and areas within the immediate vicinity. The TOPS tax was adopted by voters in April 1997, extended by voters in 2003, and set to expire in 2025.

**0.4%** is for Public Safety Sales Tax (PSST) (Restricted Use) – This portion of the sales tax is dedicated to fund public safety operating and capital improvement needs. The PSST was adopted by voters in November 2001.

**4.9%** OF THE SALES TAX RATE PROVIDES FUNDING TO OTHER ENTITIES

**2.9%** is for the State – This portion of the sales tax is used to provide funding to the State of Colorado.

**1.0%** is for the County – This portion of the sales tax is used to provide funding to El Paso County.

**1.0%** is for the Pikes Peak Regional Transportation Authority (PPRTA) – This portion of the sales tax is dedicated to transportation-related improvements in the region. The PPRTA tax was approved by voters in November 2004. It allocates funding such that 10% of the sales tax revenue goes toward the City's transit program, 35% is for maintenance of the transportation system, and 55% goes to capital projects, which is the only portion of the tax with a scheduled sunset date of 2014. The PPRTA is an authority comprised of the City of Colorado Springs, El Paso County, the City of Manitou Springs, the Town of Ramah, and the Town of Green Mountain Falls.



***“How is my property tax determined?”***

Taxing authorities, such as Cities, Counties, School Districts and Special Districts set tax rates and levy the tax on property.

***“What is property tax?”***

As defined by Merriam-Webster.com, property tax is a tax levied on real or personal property.

For residents, the levy is applied to real property, which is your house. Personal property taxes are primarily applied to commercial properties.

***“What does my property tax money fund?”***

Property tax revenue supports public schools, county governments, municipal governments, libraries and special districts. All of the revenue generated by property taxes stays within your county.

***“My payment goes to El Paso County – how do the other entities get their share of the property tax?”***

El Paso County collects all property tax and distributes the revenue to each entity based on the levy of each entity.

## Property Value Assessment

The El Paso County Assessor determines the value of each property in the County – the resulting value is called the Market Value, or Actual Value, of the residence. Property tax is only levied on a certain percentage of the Actual Value – the percentage is called the Assessment Rate and is determined by State Legislature. For residential properties, the Assessment rate, or the percentage of the Actual Value that is taxed, is 7.96%. Multiplying the Actual Value by the Assessment Rate of 7.96% results in what is known as the Assessed Value of the property. For commercial properties, the Assessment rate is 29%.

## Determining the Tax Rate

All of the tax rates of the various taxing entities providing services in the County are added together to determine the total tax rate. The Taxpayer's Bill of Rights (TABOR) requires voter approval of any increase in tax rates.

## Property Tax Calculation

The following table displays the calculation of taxes for a sample home that has an Actual Value of \$246,000 and is located in School District #11. Other School Districts have different tax rates. It also assumes the home is not located within a special district that levies a property tax.

actual value	x	assessment rate	=	assessed value	x	total mill levy	=	taxes
\$246,000	x	7.96%	=	\$19,582	x	0.058992	=	\$1,155

## Components of the Total Tax Rate

The table below displays the list of the property tax entities and rates for the sample home in the example above with an Actual Value of \$246,000.

Taxing Entity	2010 Tax Rate	Tax Amount (2010 taxes payable in 2011)
City of Colorado Springs	0.004279	\$84
El Paso County	0.007717	\$151
Colorado Springs School District #11	0.042493	\$832
Pikes Peak Library District	0.003556	\$70
Southeastern Colorado Water Conservancy	0.000947	\$18
<b>Total</b>	<b>0.058992</b>	<b>\$1,155</b>

## Other Taxes

**B**usiness tax – comprised solely of the City occupational tax on establishments selling alcoholic beverages. The tax amount paid depends upon the type of business and what type of alcohol they are selling

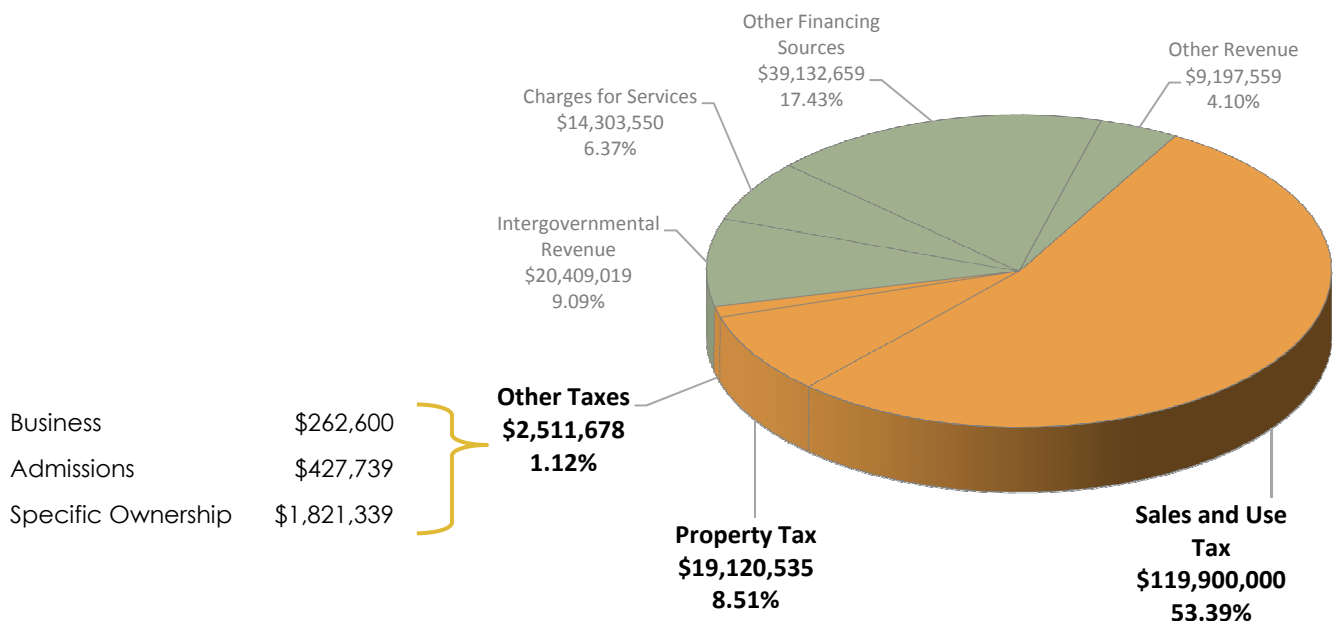
**A**dmissions tax – a two percent (2%) tax on motion picture theater tickets

**S**pecific ownership taxes – a tax imposed by the State of Colorado for the ownership of a licensed motor vehicle registered

## 2012 General Fund Tax Summary

Taxes are expected to total \$141.5 million in 2012, which is 63.0% of the total General Fund revenue.

(For detailed information on General Fund revenue refer to the Revenue Overview section)



## ***Taxes in Other Funds***

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The two taxes listed below are legally restricted to expenditures for specific purposes. These taxes are collected and accounted for in separate Special Revenue Funds.

**Bicycle Tax:** The City's \$4 excise tax on new bikes began in 1988 and the revenue goes toward bikeway improvements as recommended in the City's Bicycle Plan. For 2012, Bike Tax revenue in the amount of \$100,000 is anticipated to be collected.

**Lodgers and Automobile Rental Tax (LART):** This tax funds activities and projects intended to attract visitors and enhance the economy of the city and the Pikes Peak Region. The lodgers portion of the tax is 2% while the automobile rental portion is 1%. Revenue not otherwise obligated may be used for the acquisition, construction, maintenance, and operation of public works or public improvements, which constitute, in part, visitor or tourist attractions. Revenue may also be appropriated for economic development activities as determined by City Council. LART resources available for appropriation in 2012 are projected at \$3,816,000. Two-thirds of this revenue is provided to Experience Colorado Springs at Pikes Peak, leaving \$1,272,000 for the City to fund special events, programs and economic development activities related to tourism.

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