



**Corporate Income Tax Returns  
Filed in Fiscal Year 1985/86**

**COLORADO STATISTICS OF INCOME**

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COLORADO STATISTICS OF INCOME  
CORPORATION INCOME TAX RETURNS  
FILED IN FISCAL YEAR 1985/86

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### Scope of Corporate Income Tax Study

This report is based on Colorado Corporate income tax returns processed by the Department of Revenue during the fiscal year July 1, 1985 through June 30, 1986. Detailed statistical tables are presented for returns which have some form of economic activity in Colorado. They are classified by type, income stratum, tax liability, domicile, scope of market (intrastate and interstate), method of income apportionment, asset size and major industry category. Previous studies of this type were conducted in 1975, 1981, 1983, 1984 and 1985 <sup>1/</sup>.

### Number and Type of Returns

The sample survey for this study indicates that 53,806 returns were processed during the fiscal year July 1, 1985 through June 30, 1986 by the Department of Revenue.

Table A

## Number and Type of Colorado Income Tax Returns

<u>Corporations Required to File</u>	<u>Number of Returns</u>	<u>Percent Distribution</u>
<u>Subject to Tax</u>		
Taxable	21,225	39.45
Nontaxable	21,760	40.44
Total	<u>42,985</u>	<u>79.89</u>
<u>Not Subject to Tax</u>		
Inactive/nonoperating	1,360	2.53
Non profit/charitable	140	.26
Subchapter S Corporations	9,200	17.10
DISC <u>a/</u> & Investment Trusts	<u>121</u>	<u>.22</u>
Total	<u>10,821</u>	<u>20.11</u>
Total Returns Filed	53,806	100.00

a/ Domestic International Sales Corporation

Basically there are two types of corporate returns filed with the Department. Corporations subject to tax are those with some form of economic activity within the state and are not tax exempt by statute. The corporations not subject to tax represent firms that were inactive or not operating during the tax year, non-profit or charitable organizations and small business corporations (Subchapter S Corporations) which elected to be taxed through their shareholders under the state individual income tax. Corporations not subject to tax are excluded from the detailed statistical tables and analysis presented in the remainder of this report.

The number of returns does not necessarily represent the total number of corporations. The tax laws permit a parent corporation to file a single consolidated return for an affiliated group of corporations. Also it is

possible that a particular corporation filed more than one return during the fiscal year. For example, firms electing to change their accounting periods are required to file a return for the short period between the close of the original tax year and the beginning of the new one. A firm also may have filed two returns during the same period if an earlier return was received as the result of filing an extension beyond the normal due date when the later return was filed without such an extension. In either case, there is not a duplication of tax data since the returns cover different time periods. The number of non-tax returns and the number of returns not subject to tax fluctuates on a state fiscal year to fiscal year basis partly due to Revenue Department processing patterns.

In fiscal 1985/86 the 42,985 returns subject to tax represented over three-fourths of all the returns processed. Out of this total, 21,225 or 49% were taxable returns, i.e. reported some amount of positive Colorado taxable income (profit) and therefore incurred an income tax liability, and 51% were non-taxable returns with either zero or negative Colorado taxable income (loss) or a Colorado operating loss carryover which equaled or exceeded their taxable income.

#### Accounting Periods

The accounting periods covered by the corporations tabulated in this report are based on either the calendar year or the tax year used by the firm for federal and state income tax purposes. Table B shows the distribution of the returns and tax liability before tax credits classified by the month in which the corporations' accounting period ended.

Table B

Ending Month of Accounting Periods  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

Ending Month of Accounting Period	Tax Returns		Tax Liability	
	Number	Percentage Distribution	Amount (\$000)	Percentage Distribution
1984 Prior to December	5,887	13.7	\$ 10,919	8.5
December	8,912	20.7	70,422	55.0
1985 January	986	2.3	4,667	3.6
February	1,115	2.6	1,369	1.1
March	3,028	7.0	4,080	3.2
April	1,664	3.9	2,894	2.3
May	1,671	3.9	1,980	1.5
June	4,487	10.4	6,328	4.9
July	1,470	3.4	2,148	1.7
August	1,346	3.1	2,367	1.8
September	3,033	7.1	5,423	4.2
October	2,067	4.8	2,370	1.8
November	776	1.8	940	.7
December	4,833	11.2	9,433	7.4
1986 January and after	<u>1,712</u>	<u>3.9</u>	<u>2,797</u>	<u>2.2</u>
Total Returns Filed <u>a/</u>	42,985	100.0	\$128,137	100.0

a/ Sum of items may not equal total because of rounding.

#### Tax Credits

The income tax credits claimed on the returns covered in this report are the new business facilities credit, the inventory property tax credit, the investment tax credit and the commercial energy credit. Other credits, which were not significant in amount, include an impact assistance credit, a crop-livestock credit and a trash hauling certificate credit 2/. With the exception of the investment tax credit and the commercial energy credit, the credits claimed represent, for the most part, carry-over amounts as all such credits have expired. Table C shows the number of returns which claimed tax credits and the amount of credit by type of tax credit.



Table C

Number and Type of Income Tax Credits  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

	Number of Returns		Amount of Tax Credits
A. Dollar Amount in Thousands			
New Business Facilities	454		1,766
Inventory Tax	114		260
Investment	11,650		\$15,568
Investment Recapture <u>a/</u>	3,593	15,242	( 1,245)
Commercial Energy	80		346
Other	44		29
Total	15,934		\$16,724
B. Percent Distribution			
New Business Facilities	2.8		10.6
Inventory Tax	0.7		1.5
Investment	72.9		93.1
Investment Recapture	22.5	95.7	( 7.5)
Commercial Energy	0.5		2.1
Other	0.3		0.2
Total	100.0		100.0

\*\* Less than 0.1 percent.

a/ Tax from recomputing prior year investment credit.

The most important of the tax credits, both in number of returns and dollar amount of credit has been and is the investment tax credit which was utilized by over one-fourth of all returns subject to tax and over half of the taxable returns. This credit accounted for over four-fifths of the total amount of credits claimed.

The other major credits have been specific purpose credits limited in scope and were not as widely used. The new business facility credit was claimed on 454 returns or by 1.1 percent of all returns, the commercial energy credit was used by 80 firms or nearly 0.2 percent of total returns.

The combined credits claimed amounted to nearly \$18 million and represented a tax saving equivalent to 14 percent of the total tax liability. Utilizing the investment tax recapture (based on recomputing prior year investment credit) as a negative credit reduces the total credits claimed to \$16.7 million for a 13 percent reduction in tax liability.

#### Tax Rates

The corporations covered by this report were taxed at the rate of 5 percent on net income derived from Colorado sources.

Table D shows a comparison of the maximum corporate income tax rates in use by the various states. As shown in this table, 5 states imposed no corporate income tax and one state had a lower rate than Colorado. Five other states had rates the same as Colorado and 39 states, including the District of Columbia, had a maximum rate higher than Colorado.

#### Corporation Income Tax Trends

Table E shows the trend in corporate income tax liability and cash collections from fiscal 1979, when income tax credits were first instituted, through fiscal 1986. In the absence of such credits, Colorado corporate income tax liability would have increased since 1979 from \$91.9 million to \$128.1 million in fiscal 1986 for an average annual growth rate of 4.8%. After tax credits, the tax liability rose from \$91.9 million in 1979 to \$111.4 million in 1986 for an average annual rate of 2.8%. Cash collections, on the other hand, decreased from \$117 million to \$112.2 million over the same time period.

Table F portrays the trend of corporate tax revenue on a cash collections basis, which reflects cash paid with returns, estimated tax payments, audit and account payments and refunds due to overpayments.

Table D

STATE CORPORATION INCOME TAX RATES  
Maximum Rates - %

No Tax 5 States	Lower than Colo. 1 State	Same as Colo. 5 States	Higher than Colo. 39 States a/
Nevada	Michigan 2.35	<u>Colorado</u> 5	Florida 5.5 Louisiana 8
South Dakota		Alabama 5	Arkansas 6 Rhode Island 8
Texas		Mississippi 5	Georgia 6 New Hampshire 8.25
Washington		Missouri 5	North Carolina 6 Delaware 8.7
Wyoming		Oklahoma 5	South Carolina 6 Maine 8.93
		Utah 5	Tennessee 6 New Jersey 9
			Virginia 6 Vermont 9
			Hawaii 6.435 Ohio 9.2
			Illinois 6.5 Alaska 9.4
			Nebraska 6.65 Massachusetts 9.4962
			Kansas 6.75 Pennsylvania 9.5
			Montana 6.75 California 9.6
			Indiana 7 District of
			Maryland 7 Columbia 10
			West Virginia 7 New York 10
			New Mexico 7.2 Arizona 10.5
			Kentucky 7.25 North Dakota 10.5
			Oregon 7.5 Connecticut 11.5
			Idaho 7.7 Iowa 12
			Wisconsin 7.9 Minnesota 12

a/ Includes District of Columbia

NOTE: Based on rates as of January 1, 1986.

Table E  
Corporate Tax Revenue  
Colorado Corporate Income Tax Returns

Fiscal Years Ended June 30	<u>Tax Liability Before Credits</u>	<u>Colorado Income Tax Credits</u>	<u>Tax Liability After Credits</u>	<u>Net Cash Collections</u>
A. Dollar Amounts in Millions				
1979	91.9		91.9	117.0
1980	101.6	2.9	98.7	109.5
1981	116.5	16.5	100.0	102.2
1982	118.3	34.6	83.7	89.3
1983	119.7	36.7	83.0	53.8
1984	100.7	25.6	75.1	85.0
1985	115.8	28.5	87.3	97.8
1986	128.1	16.7	111.4	112.2
B. Percent Change				
1980	10.6		7.4	- 6.4
1981	14.7	469.0	1.3	- 6.7
1982	1.6	109.7	-16.3	-12.6
1983	1.2	6.1	- 0.8	-39.8
1984	-15.9	- 30.2	- 9.5	58.0
1985	15.0	11.3	16.3	15.1
1986	10.6	- 41.4	27.6	14.7
Average Annual Change:	4.8	31.5	2.8	- 0.01

Table F  
Corporation Income Tax Cash Collections

<u>Fiscal Years Ended June 30</u>	<u>Cash Paid With Returns</u>	<u>Estimated Tax Paid</u>	<u>Audit and Account Payments</u>	<u>Gross Tax Collections</u>	<u>Income Tax Refunds</u>	<u>Net Income Tax Collections</u>
A. Dollar Amounts in Millions						
1979	24.8	94.9	4.2	123.9	6.9	117.0
1980	23.2	94.0	5.7	123.0	13.5	109.4
1981	23.2	90.6	10.6	124.4	22.2	102.2
1982	20.0	93.7	12.9	126.6	37.3	89.3
1983	20.2	74.7	8.8	103.7	49.9	53.8
1984	22.0	99.0	11.7	132.7	47.7	85.0
1985	23.9	105.6	12.4	141.9	44.1	97.8
1986	25.7	95.8	13.5	135.0	22.8	112.2

Table G

Corporation Income Tax Credits  
Colorado Corporate Income Tax Returns

<u>Fiscal Years Ended June 30</u>	<u>New Business Facilities</u> <sup>1/</sup>	<u>Investment Credit</u> <sup>2/</sup>	<u>Inventory Credit</u> <sup>3/</sup>	<u>Pollution Control</u> <sup>4/</sup>	<u>Commercial Energy</u> <sup>5/</sup>	<u>Total Credits</u>
A. Dollar Amounts in Millions						
1979	*					*
1980	.3	1.9	.3	.4		2.9
1981	.6	13.0	2.5	.4		16.5
1982	1.3	26.1 <sup>6/</sup>	6.0	1.0	.2	34.6
1983	1.0	23.4 <sup>6/</sup>	10.5	1.3	.5	36.7
1984	1.2	11.6 <sup>6/</sup>	11.2	1.1	.5	25.6
1985	2.1	13.1 <sup>6/</sup>	12.2	.1	1.0	28.5
1986	1.8	14.3 <sup>6/</sup>	.3	.0	.3	16.7

\* \$25,000

<sup>1/</sup> \$50 for each new business facility employee and \$50 for each \$100,000 of new business facility investment located in a county with more than 50,000 population. If new business facility is located in county with less than 50,000 population, the credit amounts become \$100.

<sup>2/</sup> Investment tax credit is percentage of federal investment credit. 10% for 1979 returns, 25% for 1980 returns, 15% for 1981 returns, 10% for 1982 returns and after.

<sup>3/</sup> Tax credit for a percentage of property tax paid on inventories. 20% for 1979 returns, 40% for 1980 returns, 60% for 1981 returns, 80% for 1982 returns and 100% for 1983 returns.

<sup>4/</sup> 30% of amount of property tax paid on pollution control property.

<sup>5/</sup> 10% of expenditures for energy conservation and 30% for renewable energy property expenditures made during tax years 1981 through 1986.

<sup>6/</sup> Net of investment credit recapture of \$.2 million in fiscal 1982, \$.8 million in fiscal 1983 and \$.9 million in fiscal 1984, \$1.0 million in fiscal 1985 and \$1.2 million in fiscal 1986.

Table G presents the trend of the various tax credits by type of credit since their inception. The most significant increases occurred in the investment credit which rose from \$1.9 million in fiscal 1980 to a high of \$26.1 million in fiscal 1982 and to \$14.3 million in fiscal 1986 and in the inventory credit which increased from \$.3 million in fiscal 1980 to \$12.2 million by fiscal 1985. These amounts represent some normal growth but to a large extent are due to changes in the percentages of credit allowed and to the time period in which the tax returns are received.

#### Intrastate and Interstate Firms

Corporations doing business in other states as well as Colorado are classified as interstate corporations and as such generally determine their Colorado taxable income by apportioning part of their federal taxable income to Colorado by using either the two-factor or three-factor formula required by statute, or by some specific allocation method approved by the Executive Director of Revenue <sup>3/</sup>. Corporations which do not qualify for income apportionment are classified as intrastate corporations. Table H-1 shows the distribution of intrastate corporations and interstate corporations by the apportionment method. Table H-2 shows the distribution of the tax credits by type of credit on the same basis.

While the intrastate firms represent nearly four-fifths of the returns filed, they account for only about one-third of the total tax liability and one-fifth of the tax credits. Conversely, the interstate firms while representing only about one-fifth of the total number of firms, accounted for two-thirds of the total tax liability and four-fifths of the tax credits.

Table H-1

Intrastate and Interstate Firms  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

	Number of Returns			Colorado Tax		
	Total	Nontaxable	Taxable	Total Liability	Credits	Net Liability
A. Dollar Amounts in Thousands						
Intrastate (non-apportioning)	33,503	16,540	16,963	\$ 40,908	\$ 3,896	\$ 37,012
Interstate (apportioning income)						
two-factor formula	4,092	2,300	1,792	\$ 46,852	\$ 8,774	\$ 38,078
three-factor formula	5,226	2,820	2,406	33,029	2,911	30,118
other apportionment methods	164	100	64	7,348	1,142	6,206
Total Interstate	9,482	5,220	4,262	\$ 87,229	\$12,827	\$ 74,402
Totals <u>a/</u>	42,985	21,760	21,225	\$128,137	\$16,723	\$111,414
B. Percent Distribution						
Intrastate (non-apportioning)	77.9	76.0	79.9	31.9	23.3	33.2
Interstate (apportioning income)						
two-factor formula	9.5	10.6	8.4	36.6	52.5	34.2
three-factor formula	12.2	13.0	11.3	25.8	17.4	27.0
other apportionment methods	0.4	0.5	0.3	5.7	6.8	5.6
Total Interstate	22.1	24.0	20.1	68.1	76.7	66.8
Totals <u>a/</u>	100.0	100.0	100.0	100.0	100.0	100.0

a/ Sum of items may not equal total because of rounding.



Table H-2

Intrastate and Interstate Firms - Tax Credits  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

	<u>Other</u>	<u>New Business Facilities</u>	<u>Inventory</u>	<u>Investment</u>	<u>Commercial Energy</u>	<u>Total</u>	<u>Investment Recapture</u>	<u>Net Credits</u>
A. Dollar Amounts in Thousands								
Intrastate (non-apportioning)	\$15	\$ 292	\$155	\$ 3,891	\$ 65	\$ 4,418	\$ 522	\$ 3,896
Interstate (apportioning income)								
two-factor formula	\$ 1	\$ 766	\$ *	\$ 8,206	\$232	\$ 9,205	\$ 431	\$ 8,774
three-factor formula	12	644	105	2,372	49	3,182	271	2,911
other apportionment methods	0	64	0	1,099	0	1,163	21	1,142
Total Interstate	<u>\$13</u>	<u>\$1,474</u>	<u>\$105</u>	<u>\$11,677</u>	<u>\$281</u>	<u>\$13,550</u>	<u>\$ 723</u>	<u>\$12,827</u>
Totals <u>a/</u>	\$28	\$1,766	\$260	\$15,568	\$346	\$17,968	\$1,245	\$16,723
B. Number of Returns <u>b/</u>								
Intrastate (non-apportioning)	41	301	84	9,916	72	10,414	3,045	7,369
Interstate (apportioning income)								
two-factor formula	2	62	4	879	3	950	336	614
three-factor formula	1	90	26	838	5	960	205	754
other apportionment methods	0	2	0	18	0	20	6	14
Total Interstate	<u>3</u>	<u>154</u>	<u>30</u>	<u>1,735</u>	<u>8</u>	<u>1,930</u>	<u>548</u>	<u>1,382</u>
Totals <u>a/</u>	44	455	114	11,651	80	12,344	3,593	8,751
C. Percent Distribution of Dollar Amounts								
Intrastate (non-apportioning)	53.6	16.5	59.6	25.0	18.8	24.6	41.9	23.3
Interstate (apportioning income)								
two-factor formula	3.6	43.4	**	52.7	67.1	51.2	34.6	52.5
three-factor formula	42.9	36.5	40.4	15.2	14.2	17.7	21.8	17.4
other apportionment methods	0.0	3.6	0.0	7.1	0.0	6.5	1.7	6.8
Total Interstate	<u>46.4</u>	<u>83.5</u>	<u>40.4</u>	<u>75.0</u>	<u>81.2</u>	<u>75.4</u>	<u>58.1</u>	<u>76.7</u>
Totals <u>a/</u>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D. Percent Distribution of Returns								
Intrastate (non-apportioning)	93.2	66.2	73.7	85.1	90.0	84.4	84.7	84.2
Interstate (apportioning income)								
two-factor formula	4.5	13.6	3.5	7.5	3.8	7.7	9.4	7.0
three-factor formula	2.3	19.8	22.8	7.2	6.3	7.8	5.7	8.6
other apportionment methods	0.0	0.4	0.0	0.2	0.0	0.2	0.2	0.2
Total Interstate	<u>6.8</u>	<u>33.8</u>	<u>26.3</u>	<u>14.9</u>	<u>10.0</u>	<u>15.6</u>	<u>15.3</u>	<u>15.8</u>
Totals <u>a/</u>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

\* Less than \$500.

\*\* Less than 0.1 percent.

a/ Sum of items may not equal total because of rounding.

b/ Total may exceed the number of firms claiming credits since some taxpayers claimed more than one type of credit.

Table I-1

Domestic and Foreign Firms  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

	Number of Returns			Colorado Tax		
	Total	Nontaxable	Taxable	Total Liability	Credits	Net Liability
A. Dollar Amounts in Thousands						
Domestic						
Intrastate	31,340	15,100	16,240	\$ 33,885	\$ 3,673	\$ 30,212
Interstate	2,066	1,240	826	30,312	6,088	24,224
Total	33,406	16,340	17,066	\$ 64,197	\$ 9,761	\$ 54,436
Foreign						
Intrastate	2,164	1,440	724	\$ 7,023	\$ 223	\$ 6,800
Interstate	7,417	3,980	3,437	56,917	6,740	50,177
Total	9,581	5,420	4,161	\$ 63,940	\$ 6,963	\$ 56,977
Total Returns <u>a/</u>	42,987	21,760	21,227	\$128,137	\$16,724	\$111,413
B. Percent Distribution						
Domestic						
Intrastate	72.9	69.4	76.5	26.4	22.0	27.1
Interstate	4.8	5.7	3.9	23.7	36.4	21.7
Total	77.7	75.1	80.4	50.1	58.4	48.9
Foreign						
Intrastate	5.0	6.6	3.4	5.5	1.3	6.1
Interstate	17.3	18.3	16.2	44.4	40.3	45.0
Total	22.3	24.9	19.6	49.9	41.6	51.1
Total Returns <u>a/</u>	100.0	100.0	100.0	100.0	100.0	100.0

a/ Sum of items may not equal total because of rounding.

Table I-2

Domestic and Foreign Firms - Tax Credits  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1985

	Other	New Business Facilities	Inventory	Investment	Commercial Energy	Total	Investment Recapture	Net Credits
A. Dollar Amounts in Thousands								
Domestic								
Intrastate	\$16	\$ 247	\$155	\$ 3,699	\$ 65	\$ 4,182	\$ 509	\$ 3,673
Interstate	1	430	0	5,981	0	6,412	324	6,088
Total	\$17	\$ 677	\$155	\$ 9,680	\$ 65	\$10,594	\$ 833	\$ 9,761
Foreign								
Intrastate	\$ 0	\$ 44	\$ 0	\$ 192	\$ 0	\$ 236	\$ 13	\$ 223
Interstate	12	1,044	105	5,697	281	7,139	399	6,740
Total	\$12	\$1,088	\$105	\$ 5,889	\$281	\$ 7,375	\$ 412	\$ 6,963
Total Returns <sup>a/</sup>	\$29	\$1,765	\$260	\$15,569	\$346	\$17,969	\$1,245	\$16,724
B. Number of Returns <sup>b/</sup>								
Domestic								
Intrastate	41	293	84	9,678	72	10,168	2,950	7,218
Interstate	2	35	0	622	0	659	361	298
Total	43	328	84	10,300	72	10,827	3,311	7,516
Foreign								
Intrastate	0	8	0	238	0	246	95	151
Interstate	1	119	30	1,113	8	1,271	187	1,084
Total	1	127	30	1,351	8	1,517	282	1,235
Total Returns <sup>a/</sup>	44	455	114	11,651	80	12,344	3,593	8,751
C. Percent Distribution of Dollar Amounts								
Domestic								
Intrastate	55.2	14.0	59.6	23.8	18.8	23.3	40.9	22.0
Interstate	3.4	24.4	0.0	38.4	0.0	35.7	26.0	36.4
Total	58.6	38.4	59.6	62.2	18.8	59.0	66.9	58.4
Foreign								
Intrastate	0.0	2.5	0.0	1.2	0.0	1.3	1.0	1.3
Interstate	41.4	59.2	40.4	36.6	81.2	39.7	32.0	40.3
Total	41.4	61.6	40.4	37.8	81.2	41.0	33.1	41.6
Total Returns <sup>a/</sup>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D. Percent Distribution of Returns								
Domestic								
Intrastate	93.2	64.4	73.7	83.1	90.0	82.4	82.1	82.5
Interstate	4.5	7.7	0.0	5.3	0.0	5.3	10.0	3.4
Total	97.7	72.1	73.7	88.4	90.0	87.7	92.2	85.9
Foreign								
Intrastate	0.0	1.8	0.0	2.0	0.0	2.0	2.6	1.7
Interstate	2.3	26.2	26.3	9.6	10.0	10.3	5.2	12.4
Total	2.3	27.9	26.3	11.6	10.0	12.3	7.8	14.1
Total Returns <sup>a/</sup>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

<sup>a/</sup> Sum of items may not equal total because of rounding.

<sup>b/</sup> Total may exceed the number of firms claiming credits since some taxpayers claimed more than one type of credit.

Table J-1

Classification by Industry  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

	Number of Returns			Colorado Tax		
	Total	Nontaxable	Taxable	Total Liability	Credits	Net Liability
A. Dollar Amounts in Thousands						
Agriculture	1,067	480	587	\$ 1,431	\$ 229	\$ 1,202
Mining	2,175	1,680	495	3,961	499	3,462
Construction	5,203	3,100	2,103	6,439	630	5,809
Manufacturing	4,003	1,920	2,083	36,444	4,723	31,721
Transportation, Public Utilities	1,119	520	599	26,577	6,076	20,501
Wholesale, Retail Trade	9,524	4,380	5,144	26,174	2,896	23,278
Finance, Insurance, Real Estate	7,431	4,160	3,271	14,607	468	14,139
Other Services	12,466	5,520	6,946	12,505	1,204	11,301
Totals <sup>a/</sup>	42,988	21,760	21,228	\$128,138	\$16,725	\$111,413
B. Percent Distribution						
Agriculture	2.5	2.2	2.8	1.1	1.4	1.1
Mining	5.1	7.7	2.3	3.1	3.0	3.1
Construction	12.1	14.2	9.9	5.0	3.8	5.2
Manufacturing	9.3	8.8	9.8	28.4	28.2	28.5
Transportation, Public Utilities	2.6	2.4	2.8	20.7	36.3	18.4
Wholesale, Retail Trade	22.2	20.1	24.2	20.4	17.3	20.9
Finance, Insurance, Real Estate	17.3	19.1	15.4	11.4	2.8	12.7
Other Services	29.0	25.4	32.7	9.8	7.2	10.1
Totals <sup>a/</sup>	100.0	100.0	100.0	100.0	100.0	100.0

<sup>a/</sup> Sum of items may not equal total because of rounding.

Table J-2

Classification by Industry - Tax Credits  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

	Other	New Business Facilities	Inventory	Investment	Commercial Energy	Total	Investment Recapture	Net Credits
A. Dollar Amounts in Thousands								
Agriculture	\$ 3	\$ 8	\$ 0	\$ 237	\$ 9	\$ 257	\$ 28	\$ 229
Mining	0	54	0	460	2	516	17	499
Construction	7	33	2	718	0	760	130	630
Manufacturing	0	779	95	4,176	231	5,281	558	4,723
Transportation, Public Utilities	5	92	0	6,050	0	6,137	61	6,076
Wholesale, Retail Trade	13	684	135	2,133	96	3,061	165	2,896
Finance, Insurance, Real Estate	*	41	20	473	8	542	74	468
Other Services	*	84	10	1,320	2	1,416	212	1,204
Totals <sup>a/</sup>	\$29	\$1,766	\$260	\$15,568	\$346	\$17,970	\$1,245	\$16,725
B. Number of Returns <sup>b/</sup>								
Agriculture	6	2	0	378	8	394	127	267
Mining	0	11	0	196	10	217	52	165
Construction	14	42	1	1,347	0	1,404	445	959
Manufacturing	0	100	32	1,209	2	1,343	517	826
Transportation, Public Utilities	16	19	0	358	0	393	117	276
Wholesale, Retail Trade	6	133	74	3,191	40	3,444	901	2,543
Finance, Insurance, Real Estate	1	20	5	985	7	1,018	341	677
Other Services	2	128	3	3,988	13	4,134	1,094	3,040
Totals <sup>a/</sup>	44	454	114	11,650	80	12,342	3,592	8,750
C. Percent Distribution of Dollar Amounts								
Agriculture	10.3	0.5	0.0	1.5	2.6	1.4	2.2	1.4
Mining	0.0	3.1	0.0	3.0	0.6	2.9	1.4	3.0
Construction	24.1	1.9	0.8	4.6	0.0	4.2	10.4	3.8
Manufacturing	0.0	44.1	36.5	26.8	66.8	29.4	44.3	28.2
Transportation, Public Utilities	17.2	4.6	0.0	38.9	0.0	34.2	4.9	36.3
Wholesale, Retail Trade	44.8	38.7	51.9	13.7	27.7	17.0	13.3	17.3
Finance, Insurance, Real Estate	**	2.3	7.7	3.0	2.3	3.0	5.9	2.8
Other Services	**	4.8	3.8	8.5	0.6	7.9	17.0	7.2
Totals <sup>a/</sup>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D. Percent Distribution of Returns								
Agriculture	13.6	0.4	0.0	3.2	10.0	3.2	3.5	3.1
Mining	0.0	2.4	0.0	1.7	12.5	1.8	1.4	1.9
Construction	31.8	9.3	0.9	11.6	0.0	11.4	12.4	11.0
Manufacturing	0.0	22.0	28.1	10.4	2.5	10.9	14.4	9.4
Transportation, Public Utilities	36.4	4.2	0.0	3.1	0.0	3.2	3.3	3.2
Wholesale, Retail Trade	13.6	29.3	64.9	27.4	50.0	27.9	25.1	29.1
Finance, Insurance, Real Estate	2.3	4.4	4.4	8.5	8.8	8.2	9.5	7.7
Other Services	4.5	28.2	2.6	34.2	16.3	33.5	30.5	34.7
Totals <sup>a/</sup>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

\* Less than \$500.

\*\* Less than 0.1 percent.

a/ Sum of items may not equal total because of rounding.

b/ Total may exceed the number of firms claiming credits since some taxpayers claimed more than one type of credit.

### Domestic and Foreign Firms

For purposes of this report, a corporation was classified as domestic firm if the home office of the corporation was located within Colorado; those located outside Colorado were considered to be foreign corporations. When the returns are classified on this basis, the distribution roughly parallels that of the intrastate-interstate classification. For example, 94% of all domestic returns were intrastate firms and conversely 77% of all foreign returns were interstate firms. The distribution of the domestic and foreign returns by intrastate and interstate activity is presented in Table I-1. Table I-2 details the tax credits by this same classification.

### Distribution by Industry

Tables J-1 and J-2 are distributions on the basis of major standard industrial classification codes (SIC). Service industries, including wholesale and retail trade, continue to account for over two-thirds of the returns and two-fifths of the total tax liability. The agricultural sector remains the least significant class representing less than 3% of the returns and a little over 1% of the tax. The manufacturing group accounts for over 9% of the returns but over one-fourth of the tax and an equal portion of the tax credits.

### Distribution by Asset Size

Asset sizes of corporations are based on the total assets for the firm's overall operations reported by them on their income tax returns. Tables K-1 and K-2 provide a distribution by broad asset classes of all returns subject to tax, both taxable and nontaxable, and give some indication of the relative significance of the various sized firms operating in Colorado.

Table K-1

Classification by Asset Size  
 Colorado Corporate Income Tax Returns  
 Filed in Fiscal Year 1986

	Number of Returns			Colorado Tax		
	<u>Total</u>	<u>Nontaxable</u>	<u>Taxable</u>	<u>Total Liability</u>	<u>Credits</u>	<u>Net Liability</u>
A. Dollar Amounts in Thousands						
Under \$ 100,000	19,005	10,520	8,485	\$ 6,745	\$ 292	\$ 6,453
\$ 100,000 - \$ 1 Million	13,532	5,680	7,852	13,962	1,593	12,369
\$ 1 Million - \$100 Million	8,704	4,660	4,044	42,189	4,706	37,483
\$100 Million and over	1,749	900	849	65,240	10,132	55,108
Totals <u>a/</u>	<u>42,990</u>	<u>21,760</u>	<u>21,230</u>	<u>\$128,136</u>	<u>\$16,723</u>	<u>\$111,413</u>
B. Percent Distribution						
Under \$ 100,000	44.2	48.4	40.0	5.3	1.8	5.8
\$ 100,000 - \$ 1 Million	31.5	26.1	37.0	10.9	9.5	11.1
\$ 1 Million - \$100 Million	20.2	21.4	19.0	32.9	28.1	33.6
\$100 Million and over	4.1	4.1	4.0	50.9	60.6	49.5
Totals <u>a/</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

a/ Sum of items may not equal total because of rounding.

Table K-2

Classification by Asset Size - Tax Credits  
 Colorado Corporate Income Tax Returns  
 Filed in Fiscal Year 1986

	<u>Other</u>	<u>New Business Facilities</u>	<u>Inventory</u>	<u>Investment</u>	<u>Commercial Energy</u>	<u>Total</u>	<u>Investment Recapture</u>	<u>Net Credits</u>
A. Dollar Amounts in Thousands								
Under \$ 100,000	\$ 5	\$ 44	\$ 8	\$ 449	\$ 3	\$ 509	\$ 217	\$ 292
\$ 100,000 - \$ 1 Million	11	117	41	1,580	43	1,792	199	1,593
\$ 1 Million - \$100 Million	1	516	210	4,127	245	5,099	393	4,706
\$100 Million and over	12	1,088	1	9,411	56	10,568	436	10,132
Totals <sup>a/</sup>	<u>\$29</u>	<u>\$1,765</u>	<u>\$260</u>	<u>\$15,567</u>	<u>\$346</u>	<u>\$17,968</u>	<u>\$1,245</u>	<u>\$16,723</u>
B. Number of Returns <sup>b/</sup>								
Under \$ 100,000	16	79	26	3,741	36	3,898	938	2,960
\$ 100,000 - \$ 1 Million	23	177	39	5,256	26	5,521	1,627	3,894
\$ 1 Million - \$100 Million	5	142	45	2,305	13	2,510	937	1,573
\$100 Million and over	1	57	4	348	6	416	91	325
Totals <sup>a/</sup>	<u>45</u>	<u>455</u>	<u>114</u>	<u>11,650</u>	<u>81</u>	<u>12,345</u>	<u>3,592</u>	<u>8,753</u>
C. Percent Distribution of Dollar Amounts								
Under \$ 100,000	17.2	2.5	3.1	2.9	0.9	2.8	17.4	1.7
\$ 100,000 - \$ 1 Million	37.9	6.6	15.8	10.1	12.4	10.0	16.0	9.5
\$ 1 Million - \$100 Million	3.4	29.2	80.8	26.5	70.8	28.4	31.6	28.1
\$100 Million and over	41.4	61.6	0.4	60.5	16.2	58.8	35.0	60.6
Totals <sup>a/</sup>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
D. Percent Distribution of Returns								
Under \$ 100,000	35.6	17.4	22.8	32.1	44.4	31.6	26.1	33.8
\$ 100,000 - \$ 1 Million	51.1	38.9	34.2	45.1	32.1	44.7	45.3	44.5
\$ 1 Million - \$100 Million	11.1	31.2	39.5	19.8	16.0	20.3	26.1	18.0
\$100 Million and over	2.2	12.5	3.5	3.0	7.4	3.4	2.5	3.7
Totals <sup>a/</sup>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

<sup>a/</sup> Sum of items may not equal total because of rounding.

<sup>b/</sup> Total may exceed the number of firms claiming credits since some taxpayers claimed more than one type of credit.



As might be expected, the largest number of returns was filed by relatively small firms, those with assets of less than \$100,000. As a group they represented over two-fifths of the returns but only about 6% of the total tax liability. In contrast, the largest firms, those with assets of \$100 million or more, while representing only about 4% of the returns but accounted for nearly one-half the total tax liability and for almost two-thirds of the tax credits. On a larger scale, if corporations with assets of \$1 million or more are considered to be fairly large, such corporations represented less than one-fourth of the firms doing business in Colorado but were responsible for over four-fifths of the total tax liability and tax credits. Conversely, small and medium sized firms, those with assets less than \$1 million, accounted for three-fourths of the returns but as a group were liable for less than one-fifth of the state tax and received about one-tenth of the tax credits.

#### Distribution of Returns by Taxable Income Classes

Ten Colorado taxable income classes as shown on Tables L-1 and L-2 are used in this report. One class is for nontax returns and nine are used to distribute the taxable returns. When the returns are classified by taxable income categories, it is clearly evident that a vast majority of corporations account for a very small portion of the state corporate income tax. Conversely, the major portion of the tax revenues are generated by a relatively small number of large corporations. The utilization of the tax credits follows the same distributional pattern.

As shown in Table L-1, the nontaxable returns accounted for nearly one-half of all returns processed during the fiscal year. Among the taxable firms, nearly two-thirds of the corporations reported taxable profits less

than \$25,000 and accounted for only 4% of the tax liability and less than 5% of the tax credits. In contrast, the firms in the highest classification with taxable incomes of \$500,000 or more represented less than 3% of the returns but were responsible for over 70% of the total tax liability and nearly three-fourths of the tax credits.

#### Distribution of Returns by Income and Asset Size

Tables M and N present a distribution of returns cross-classified by income classes and asset size and by income classes and major industry group. As might be expected, there is a marked correlation between size of income and asset size. In the nontax and the two lower strata of the taxable returns, more than half of the returns were small firms with assets less than \$100,000. In the next four income classes the majority of returns were filed by medium size firms with assets of \$100,000 to \$1 million, and in the top three income classes the majority of returns were by large firms. These relationships are similar to those of the previous studies.

As a further indication that the Colorado economy is service oriented, the number of service industry firms dominate every taxable income class. For example, at income levels below \$50,000 the service categories represented approximately two-thirds of the returns. In the largest taxable class, service oriented firms constituted almost one-half of the returns. In contrast, the agricultural and mining categories continue quantitatively to be the least important in almost all categories. Construction, transportation and utilities as a group and manufacturing have retained the same relative position over the past few years at about 15% and 9% of the returns respectively.

Table L-1

Distribution of Returns by Taxable Income Classes  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

	<u>Number of Returns</u>	<u>Colorado Taxable Income</u>	<u>Colorado Tax</u>		
			<u>Total Liability</u>	<u>Net Credits</u>	<u>Net Liability</u>
A. Dollar Amounts in Thousands					
Nontaxable Returns	21,760	-\$6,568,961	\$ 0	-\$ 154	\$ 154
Taxable Returns					
Under \$ 2,000	3,830	\$ 3,158	\$ 158	\$ 39	\$ 119
\$ 2,000 - \$ 10,000	5,310	28,206	1,410	241	1,169
\$ 10,000 - \$ 25,000	4,392	72,395	3,620	546	3,074
\$ 25,000 - \$ 50,000	3,154	112,796	5,640	708	4,932
\$ 50,000 - \$ 75,000	1,434	88,006	4,400	521	3,879
\$ 75,000 - \$100,000	816	70,687	3,534	436	3,098
\$100,000 - \$200,000	1,019	142,060	7,103	956	6,147
\$200,000 - \$500,000	663	205,571	10,279	961	9,318
\$500,000 and over	608	1,839,849	91,992	12,470	79,522
Total Taxable	<u>21,226</u>	<u>\$2,562,728</u>	<u>\$128,137</u>	<u>\$16,878</u>	<u>\$111,258</u>

## B. Percentage Distribution

Taxable Returns					
Under \$ 2,000	18.0	0.1	0.1	0.2	0.1
\$ 2,000 - \$ 10,000	25.0	1.1	1.1	1.4	1.1
\$ 10,000 - \$ 25,000	20.7	2.8	2.8	3.2	2.8
\$ 25,000 - \$ 50,000	14.9	4.4	4.4	4.2	4.4
\$ 50,000 - \$ 75,000	6.8	3.4	3.4	3.1	3.5
\$ 75,000 - \$100,000	3.8	2.8	2.8	2.6	2.8
\$100,000 - \$200,000	4.8	5.5	5.5	5.7	5.5
\$200,000 - \$500,000	3.1	8.0	8.0	5.7	8.4
\$500,000 and over	2.9	71.8	71.8	73.9	71.5
Total Taxable	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Table L-2

Distribution of Tax Credits by Taxable Income Classes  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

	Other	New Business Facilities	Inventory	Investment	Commercial Energy	Total	Investment Recapture	Net Credits
A. Dollar Amounts in Thousands								
Nontaxable Returns	\$ 0	\$ 0	\$128	\$ 0	\$ 0	\$ 128	\$ 282	-\$ 154
Taxable Returns								
Under \$ 2,000	\$ 0	\$ 1	\$ 13	\$ 32	\$ 0	\$ 46	\$ 7	\$ 39
\$ 2,000 - \$ 10,000	5	4	0	270	5	284	43	241
\$ 10,000 - \$ 25,000	3	25	8	543	3	582	36	546
\$ 25,000 - \$ 50,000	4	42	2	702	8	758	50	708
\$ 50,000 - \$ 75,000	4	31	13	499	*	547	26	521
\$ 75,000 - \$100,000	*	19	*	445	7	471	35	436
\$100,000 - \$200,000	*	92	1	926	1	1,020	64	956
\$200,000 - \$500,000	1	119	23	894	9	1,046	85	961
\$500,000 and over	12	1,432	73	11,257	314	13,088	618	12,470
Total Taxable	\$29	\$1,766	\$132	\$15,568	\$346	\$17,842	\$ 963	\$16,878
Grand Total <u>a/</u>	\$29	\$1,766	\$260	\$15,568	\$346	\$17,970	\$1,245	\$16,724
B. Number of Returns <u>b/</u>								
Nontaxable Returns	0	0	60	0	0	60	1,060	-1,000
Taxable Returns								
Under \$ 2,000	0	30	10	1,090	0	1,130	150	980
\$ 2,000 - \$ 10,000	20	50	0	2,480	40	2,590	330	2,260
\$ 10,000 - \$ 25,000	6	66	12	2,718	12	2,814	492	2,322
\$ 25,000 - \$ 50,000	4	76	8	2,124	10	2,222	504	1,718
\$ 50,000 - \$ 75,000	6	42	14	1,057	2	1,121	265	856
\$ 75,000 - \$100,000	3	23	2	576	5	609	200	409
\$100,000 - \$200,000	2	53	2	726	2	779	249	530
\$200,000 - \$500,000	3	39	5	446	4	491	154	337
\$500,000 and over	1	76	2	445	6	530	189	341
Total Taxable	44	455	54	11,650	80	12,283	2,532	9,751
Grand Total <u>a/</u>	44	455	114	11,650	80	12,343	3,592	8,751
C. Percent Distribution of Dollar Amounts								
Nontaxable Returns	0.0	0.0	49.2	0.0	0.0	0.7	22.7	- 0.9
Taxable Returns								
Under \$ 2,000	0.0	0.1	5.0	0.2	0.0	0.3	0.6	0.2
\$ 2,000 - \$ 10,000	17.2	0.2	0.0	1.7	1.4	1.6	3.5	1.4
\$ 10,000 - \$ 25,000	10.3	1.4	3.1	3.5	0.9	3.2	2.9	3.3
\$ 25,000 - \$ 50,000	13.8	2.4	0.8	4.5	2.3	4.2	4.0	4.2
\$ 50,000 - \$ 75,000	13.8	1.8	5.0	3.2	**	3.0	2.1	3.1
\$ 75,000 - \$100,000	**	1.1	**	2.9	2.0	2.6	2.8	2.6
\$100,000 - \$200,000	**	5.2	0.4	5.9	0.3	5.7	5.1	5.7
\$200,000 - \$500,000	3.4	6.7	8.8	5.7	2.6	5.8	6.8	5.7
\$500,000 and over	41.4	81.1	28.1	72.3	90.8	72.8	49.6	74.6
Total Taxable	100.0	100.0	50.8	100.0	100.0	99.3	77.3	100.9
Grand Total <u>a/</u>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D. Percent Distribution of Returns								
Nontaxable Returns	0.0	0.0	52.6	0.0	0.0	0.5	29.5	- 11.4
Taxable Returns								
Under \$ 2,000	0.0	6.6	8.8	9.4	0.0	9.2	4.2	11.2
\$ 2,000 - \$ 10,000	45.5	11.0	0.0	21.3	50.0	21.0	9.2	25.8
\$ 10,000 - \$ 25,000	13.6	14.5	10.5	23.3	15.0	22.8	13.7	26.5
\$ 25,000 - \$ 50,000	9.1	16.7	7.0	18.2	12.5	18.0	14.0	19.6
\$ 50,000 - \$ 75,000	13.6	9.2	12.3	9.1	2.5	9.1	7.4	9.8
\$ 75,000 - \$100,000	6.8	5.1	1.8	4.9	6.3	4.9	5.6	4.7
\$100,000 - \$200,000	4.5	11.6	1.8	6.2	2.5	6.3	6.9	6.1
\$200,000 - \$500,000	6.8	8.6	4.4	3.8	5.0	4.0	4.3	3.9
\$500,000 and over	2.3	16.7	1.8	3.8	7.5	4.3	5.3	3.9
Total Taxable	100.0	100.0	47.4	100.0	100.0	99.5	70.5	111.4
Grand Total <u>a/</u>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

\* Less than \$500

\*\* Less than 0.1 percent

a/ Sum of items may not equal total because of rounding.

b/ Total may exceed the number of firms claiming credits since some taxpayers claimed more than one type of credit.

Table M

Distribution of Returns by Income and Asset Size  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

Colorado Taxable Income Classes	Asset Size of Firm				Total Returns
	Small Under \$100,000	Medium \$100,000 to \$1 Million	Large \$1 Million to \$100 Million	Very Large \$100 Million and over	
A. Number of Returns					
Nontaxable Returns	10,520	5,680	4,660	900	21,760
Taxable Returns					
Under \$ 2,000	2,580	760	480	10	3,830
\$ 2,000 - \$ 10,000	3,370	1,230	610	100	5,310
\$ 10,000 - \$ 25,000	1,638	2,172	522	60	4,392
\$ 25,000 - \$ 50,000	716	1,910	462	66	3,154
\$ 50,000 - \$ 75,000	85	952	361	36	1,434
\$ 75,000 - \$100,000	44	444	287	42	817
\$100,000 - \$200,000	17	305	585	113	1,020
\$200,000 - \$500,000	20	69	434	140	663
\$500,000 and over	12	10	303	283	608
Total Taxable	8,482	7,852	4,044	850	21,228
Total Returns	19,002	13,532	8,704	1,750	42,988
B. Percent Distribution by Size					
Nontaxable Returns	48.3	26.1	21.4	4.1	100.0
Taxable Returns					
Under \$ 2,000	67.4	19.8	12.5	0.3	100.0
\$ 2,000 - \$ 10,000	63.5	23.2	11.5	1.9	100.0
\$ 10,000 - \$ 25,000	37.3	49.5	11.9	1.4	100.0
\$ 25,000 - \$ 50,000	22.7	60.6	14.6	2.1	100.0
\$ 50,000 - \$ 75,000	5.9	66.4	25.2	2.5	100.0
\$ 75,000 - \$100,000	5.4	54.3	35.1	5.1	100.0
\$100,000 - \$200,000	1.7	29.9	57.4	11.1	100.0
\$200,000 - \$500,000	3.0	10.4	65.5	21.1	100.0
\$500,000 and over	2.0	1.6	49.8	46.5	100.0
Total Taxable	40.0	37.0	19.1	4.0	100.0
Total Returns	44.2	31.5	20.2	4.1	100.0

Table N

Distribution of Returns by Income and Industry  
 Colorado Corporate Income Tax Returns  
 Filed in Fiscal Year 1986

<u>Colorado Taxable Income Classes</u>	<u>Agriculture and Mining</u>	<u>Construction Transportation and Utilities</u>	<u>Durable and Nondurable Manufacturing</u>	<u>Wholesale and Retail Trade</u>	<u>All Other Services</u>	<u>Total Returns</u>
A. Number of Returns						
Nontaxable Returns	2,160	3,620	1,920	4,380	9,680	21,760
Taxable Returns						
Under \$ 2,000	180	440	290	620	2,300	3,830
\$ 2,000 - \$ 10,000	250	630	280	1,170	2,980	5,310
\$ 10,000 - \$ 25,000	210	522	336	1,182	2,142	4,392
\$ 25,000 - \$ 50,000	172	426	310	874	1,372	3,154
\$ 50,000 - \$ 75,000	87	245	160	405	539	1,434
\$ 75,000 - \$100,000	53	130	114	236	286	816
\$100,000 - \$200,000	53	159	209	320	279	1,019
\$200,000 - \$500,000	41	85	176	189	172	663
\$500,000 and over	37	66	209	148	148	608
Total Taxable	<u>1,082</u>	<u>2,703</u>	<u>2,083</u>	<u>5,144</u>	<u>10,218</u>	<u>21,225</u>
Total Returns	3,242	6,323	4,003	9,524	19,898	42,985
B. Percent Distribution by Industry						
Nontaxable Returns	9.9	16.6	8.8	20.1	44.5	100.0
Taxable Returns						
Under \$ 2,000	4.7	11.1	7.6	16.2	60.1	100.0
\$ 2,000 - \$ 10,000	4.7	11.9	5.3	22.0	56.1	100.0
\$ 10,000 - \$ 25,000	4.8	11.9	7.7	26.9	48.8	100.0
\$ 25,000 - \$ 50,000	5.5	13.5	9.8	12.7	43.5	100.0
\$ 50,000 - \$ 75,000	6.1	17.1	11.1	28.2	37.5	100.0
\$ 75,000 - \$100,000	6.5	15.9	13.9	28.8	34.9	100.0
\$100,000 - \$200,000	5.2	15.6	20.5	31.4	27.4	100.0
\$200,000 - \$500,000	6.2	12.8	26.5	28.5	25.9	100.0
\$500,000 and over	6.1	10.9	34.4	24.3	24.3	100.0
Total Taxable	<u>5.1</u>	<u>12.7</u>	<u>9.8</u>	<u>24.2</u>	<u>48.1</u>	<u>100.0</u>
Total Returns	7.5	14.7	9.3	22.2	46.3	100.0

Table O separately classifies intrastate and interstate by taxable income classes. The distribution is somewhat different for the two groups. For example, the intrastate firms with taxable income less than \$50,000 accounted for almost four-fifths of the taxable returns and about one-fifth of the tax liability, whereas the interstate firms represented nearly two-thirds of the returns but less than 2% of the tax liability. At the other end of the scale, only about 1% of the intrastate firms had taxable incomes of \$500,000 or more and accounted for almost two-fifths of the tax while over 10% of the interstate returns were in the top category and represented well over four-fifths of the interstate tax.

#### Apportionment of Federal Taxable Income

Table P compares the tax distribution of the interstate firms using the Colorado two-factor formula with those using the multistate compact three-factor formula for apportioning federal taxable income to Colorado.

While the number of firms using the two-factor formula was less than one-half of the formula returns, their tax liability of \$46.9 million represented nearly three-fifths of the total tax. On the other hand, the firms using the three-factor formula while representing over one-half of the returns had a tax liability of \$33.0 million or two-fifths of the tax. Among the taxable firms using the two-factor formula over two-thirds of the returns were in the four lowest taxable income classes (less than \$50,000) but accounted for less than 2% of the tax liability. Conversely the top 9% of the firms in the highest taxable income class (\$500,000 and over) were responsible for over ninety percent of the tax liability for two-factor firms.

Table O

Distribution of Intrastate and Interstate Returns  
By Taxable Income Classes  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

Colorado Taxable Income Classes	Intrastate Returns				Interstate Returns			
	Number of Returns	Colorado Tax Liability	Net Credits	Net Tax Liability	Number of Returns	Colorado Tax Liability	Net Credits	Net Tax Liability
A. Dollar Amounts in Thousands								
Nontaxable Returns	16,540	\$ 0	-\$ 92	\$ 92	5,220	\$ 0	-\$ 62	\$ 62
Taxable Returns								
Under \$ 2,000	2,980	\$ 127	\$ 34	\$ 93	850	\$ 31	\$ 5	\$ 26
\$ 2,000 - \$ 10,000	4,480	1,197	197	1,000	830	214	44	170
\$ 10,000 - \$ 25,000	3,798	3,118	474	2,644	594	502	71	431
\$ 25,000 - \$ 50,000	2,698	4,811	580	4,231	456	829	128	701
\$ 50,000 - \$ 75,000	1,172	3,605	427	3,178	262	795	94	701
\$ 75,000 - \$100,000	642	2,783	326	2,457	174	751	111	640
\$100,000 - \$200,000	674	4,637	691	3,946	345	2,466	264	2,202
\$200,000 - \$500,000	336	5,018	439	4,579	327	5,261	522	4,739
\$500,000 and over	184	15,612	821	14,791	424	76,380	11,650	64,730
Total Taxable	16,963	\$40,908	\$3,989	\$36,919	4,262	\$87,229	\$12,889	\$74,340
Total Returns	33,503	\$40,908	\$3,897	\$37,011	9,482	\$87,229	\$12,827	\$74,402
B. Percent Distribution of Taxable Returns								
Taxable Returns								
Under \$ 2,000	17.6	0.3	0.9	0.3	19.9	**	**	**
\$ 2,000 - \$ 10,000	26.4	2.9	4.9	2.7	19.5	0.2	0.3	0.2
\$ 10,000 - \$ 25,000	22.4	7.6	11.9	7.2	13.9	0.6	0.6	0.6
\$ 25,000 - \$ 50,000	15.9	11.8	14.5	11.5	10.7	1.0	1.0	0.9
\$ 50,000 - \$ 75,000	6.9	8.8	10.7	8.6	6.1	0.9	0.7	0.9
\$ 75,000 - \$100,000	3.8	6.8	8.2	6.7	4.1	0.9	0.9	0.9
\$100,000 - \$200,000	4.0	11.3	17.3	10.7	8.1	2.8	2.0	3.0
\$200,000 - \$500,000	2.0	12.3	11.0	12.4	7.7	6.0	4.0	6.4
\$500,000 and over	1.1	38.2	20.6	40.1	9.9	87.6	90.4	87.1
Total Taxable	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

\*\* Less than 0.1 percent.



In the case of the three-factor firms, the top 10% of the firms accounted for almost four-fifths of the tax liability, and the three-fifths of the returns with less than \$50,000 taxable income accounted for less than 3% of the multistate three-factor tax liability.

Table Q shows the relative significance of the revenue, property and payroll factors in the apportionment of modified federal taxable income to Colorado by firms using either the Colorado two-factor formula or the multistate compact three-factor formula. For the taxable firms using the two-factor formula the property factor was significantly more important than the revenue factor accounting for nearly three-fifths of the apportioned federal income while the latter represented two-fifths. This ratio is similar to that found in the prior studies. For taxable firms using the three-factor formula, the revenue factor was of greater importance accounting for approximately two-fifths of the apportioned income while the property and payroll factors accounted for roughly one-third each. On a combined weighted basis the property factor was the most significant and the payroll factor quantitatively the least important.

With regard to the nontaxable two-factor firms, the revenue factor remained somewhat more important accounting for more than half of the apportioned income. In the case of the multistate nontaxable firms, the revenue factor was the most significant representing almost two-fifths of the factors. On a combined basis, the revenue factor was the most dominate while the payroll factor, again was the least important in the apportionment of income. The property factor was twice as significant as the payroll factor.

Table P

Distribution of Two-Factor and Three-Factor Returns  
By Taxable Income Classes  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

Colorado Taxable Income Classes	Colorado Two-Factor Formula				Multistate Three-Factor Formula			
	Number of Returns	Colorado Tax Liability	Net Credits	Net Tax Liability	Number of Returns	Colorado Tax Liability	Net Credits	Net Tax Liability
A. Dollar Amounts in Thousands								
Nontaxable Returns	2,300	\$ 0	-\$ 81	\$ 81	2,820	\$ 0	\$ 19	-\$ 19
Taxable Returns								
Under \$ 2,000	410	\$ 15	\$ 4	\$ 11	420	\$ 15	\$ 1	\$ 14
\$ 2,000 - \$ 10,000	360	98	28	70	460	112	16	96
\$ 10,000 - \$ 25,000	270	217	30	187	318	280	40	239
\$ 25,000 - \$ 50,000	202	343	65	278	254	485	64	421
\$ 50,000 - \$ 75,000	83	255	36	219	180	541	58	483
\$ 75,000 - \$100,000	68	294	43	251	102	438	67	371
\$100,000 - \$200,000	126	907	139	768	218	1,550	123	1,427
\$200,000 - \$500,000	106	1,731	224	1,507	215	3,428	286	3,142
\$500,000 and over	168	42,992	8,289	34,703	240	26,181	2,234	23,947
Total Taxable	1,792	\$46,852	\$8,858	\$37,994	2,407	\$33,029	\$2,890	\$30,140
Total Returns	4,092	\$46,852	\$8,772	\$38,075	5,227	\$33,029	\$2,910	\$30,121
B. Percent Distribution of Taxable Returns								
Taxable Returns								
Under \$ 2,000	22.9	**	**	**	17.4	**	**	**
\$ 2,000 - \$ 10,000	20.1	0.2	0.3	0.2	19.1	0.3	0.6	0.3
\$ 10,000 - \$ 25,000	15.1	0.5	0.3	0.5	13.2	0.8	1.4	0.8
\$ 25,000 - \$ 50,000	11.3	0.7	0.7	0.7	10.6	1.5	2.2	1.4
\$ 50,000 - \$ 75,000	4.6	0.5	0.4	0.6	7.5	1.6	2.0	1.6
\$ 75,000 - \$100,000	3.5	0.6	0.5	0.7	4.2	1.3	2.3	1.2
\$100,000 - \$200,000	7.0	1.9	1.6	2.0	9.1	4.7	4.3	4.7
\$200,000 - \$500,000	5.9	3.7	2.5	4.0	8.9	10.4	9.9	10.4
\$500,000 and over	9.4	91.8	93.6	91.3	10.0	79.3	77.3	79.5
Total Taxable	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

\*\* Less than 0.1 percent.

Table Q

Modified Federal Taxable Income  
 Apportioned to Colorado by Formulas and Factors  
 Colorado Corporate Income Tax Returns  
 Filed in Fiscal Year 1986

	<u>Taxable Returns</u>		<u>Nontaxable Returns</u>	
	<u>\$ Millions</u>	<u>Percent Dist.</u>	<u>\$ Millions</u>	<u>Percent Dist.</u>
<u>Colorado Two-Factor Formula</u>				
Income apportioned by:				
Revenue Factor	\$ 413.3	42.2	-\$ 357.3	53.4
Property Factor	<u>565.8</u>	<u>57.8</u>	<u>- 311.7</u>	<u>46.6</u>
Total Income Apportioned	\$ 979.1	100.0	-\$ 669.0	100.0
 <u>Multistate Three-Factor Formula</u>				
Income apportioned by:				
Revenue Factor	\$ 289.3	41.6	-\$ 327.1	28.6
Property Factor	215.2	30.9	- 247.0	29.1
Payroll Factor	<u>191.2</u>	<u>27.5</u>	<u>- 273.3</u>	<u>32.3</u>
Total Income Apportioned	\$ 695.7	100.0	-\$ 847.4	100.0
 <u>Combined Formulas</u>				
Income apportioned by:				
Revenue Factor	\$ 702.6	42.0	-\$ 684.4	45.1
Property Factor	781.0	46.6	- 558.7	36.8
Payroll Factor	<u>191.2</u>	<u>11.4</u>	<u>- 273.3</u>	<u>18.1</u>
Total Income Apportioned	\$1,674.8	100.0	-\$1,516.4	100.0

### Derivation of Taxable Income

The derivation of Colorado taxable income is presented in Table R <sup>3/</sup>. Firms with positive Colorado taxable income reported federal taxable income (profits) of \$135.8 billion on their overall company operations. After adjustments for differences between federal and state tax law this income was reduced to \$114.1 billion. Interstate firms accounted for over 99% of these modified profits.

The income apportioned and allocated to Colorado by the interstate firms amounted to \$1.8 billion or less than 2% of their total modified federal income. The intrastate firms reported \$870 million of modified federal taxable income which is the same as the income reported to Colorado. This represents about 48% of the amount reported by the interstate firms. The total taxable income subject to Colorado tax, adjusted for operating loss deductions of \$120 million from previous years, amounted to nearly \$2.6 billion or slightly less than 2% of the total federal taxable income on all taxable returns.

The nontaxable returns, on the other hand, reported negative federal taxable income of nearly \$90.9 billion which when modified for tax code differences resulted in losses of \$63.2 billion. Nearly 97% of this negative federal taxable income was accounted for by interstate firms which attributed \$1.4 billion or 2.3% of their losses to Colorado. For the intrastate firms, the Colorado losses amounted to \$2.1 billion or 2.5 times greater than that reported by the interstate firms.

The nontaxable firms also reported Colorado operating loss carryovers of \$3.0 billion resulting in a total negative Colorado taxable incomes of \$6.6 billion, an amount slightly over 7% of their total negative federal taxable income.

Table R

Derivation of Colorado Taxable Income  
Colorado Corporate Income Tax Returns  
Filed in Fiscal Year 1986

	<u>Taxable Returns</u>		<u>Nontaxable Returns</u>	
	<u>\$ Millions</u>	<u>Percent Dist.</u>	<u>\$ Millions</u>	<u>Percent Dist.</u>
Reported Federal Taxable Income (FTI)	\$135,761	100.0	-\$90,874	100.0
Less: Colorado Modifications	21,614	15.9	- 27,714	30.5
Modified Federal Taxable Income	<u>\$114,147</u>	<u>84.1</u>	<u>-\$63,160</u>	<u>69.5</u>
<u>Interstate Firms:</u>				
Modified Federal Taxable Income	\$113,277	83.4	-\$61,043	67.2
Modified FTI Subject to Apportionment	109,706	80.8	- 62,857	69.2
Modified FTI Apportioned to Colorado	\$ 1,806	1.3	-\$ 1,546	1.7
Other Income Allocated to Colorado a/	8	*	117	.1
Colorado Taxable Income Before OLD	<u>\$ 1,814</u>	<u>1.3</u>	<u>-\$ 1,429</u>	<u>1.6</u>
<u>Intrastate Firms:</u>				
Modified Federal Taxable Income	\$ 870	.6	-\$ 2,117	2.3
Colorado Taxable Income Before OLD	870	.6	- 2,117	2.3
Total Colorado Taxable Income Before OLD	\$ 2,684	2.0	-\$ 3,546	3.9
Less: Colorado Operating Loss Deduction (OLD)	120	.1	3,023	3.3
Colorado Taxable Income	<u>\$ 2,564</u>	<u>1.9</u>	<u>-\$ 6,569</u>	<u>7.2</u>

a/ Includes non-operating income (rents, interest, dividends, etc.) directly allocated to Colorado plus income apportioned by special methods.

\* Less than .1 percent.

FOOTNOTES

- 1/ Colorado Statistics of Income -- Corporation Income Tax Study, Returns Filed in 1975, Colorado Department of Revenue, June 1977; Colorado Statistics of Income -- Corporation Income Tax Returns Filed in Fiscal Year 1980/81, Colorado Department of Revenue, Colorado Legislative Council Publication No. 278, February 1983; Colorado Statistics of Income -- Corporation Income Tax Returns Filed in Fiscal Year 1982/83, Colorado Department of Revenue, Colorado Legislative Council Publication No. 287, July 1984; Colorado Statistics of Income -- Corporation Income Tax Returns Filed in Fiscal Year 1983/84, Colorado Department of Revenue, Colorado Legislative Council Publication No. 295, February 1985; Colorado Statistics of Income -- Corporation Income Tax Returns Filed in Fiscal Year 1984/85, Colorado Department of Revenue, Colorado Legislative Council Publication No. 304, February 1986.
- 2/ See Appendix A, page 97 for a summary of the tax credit provisions.
- 3/ See Appendix A, page 87 for summary of provisions regarding Colorado modifications of federal taxable income, allocation of non-operating income, apportionment of operating income, and operating loss carryover.

DETAILED  
COLORADO STATISTICS OF INCOME  
TABLES

NOTE: The accumulations for any given item on the following tables may vary due to rounding.

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TABLE 1. DISTRIBUTION OF ALL RETURNS BY TAXABLE INCOME CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	21,760	-\$ 90,874,040	-\$6,568,961	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	3,830	\$ 2,540,257	\$ 3,158	\$ 158
\$ 2,000 - \$ 10,000	5,310	8,201,898	28,206	1,410
\$ 10,000 - \$ 25,000	4,392	1,156,079	72,395	3,620
\$ 25,000 - \$ 50,000	3,154	1,558,306	112,796	5,640
\$ 50,000 - \$ 75,000	1,434	1,399,527	88,006	4,400
\$ 75,000 - \$100,000	816	1,840,566	70,687	3,534
\$100,000 - \$200,000	1,019	5,539,549	142,060	7,103
\$200,000 - \$500,000	663	15,749,513	205,571	10,279
\$500,000 and over	608	97,775,175	1,839,849	91,992
TOTAL TAXABLE	21,226	\$135,760,870	\$2,562,728	\$128,136
GRAND TOTAL	42,985	\$ 44,886,831	-\$4,006,232	\$128,136
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	18.04	1.87	0.12	0.12
\$ 2,000 - \$ 10,000	25.02	6.04	1.10	1.10
\$ 10,000 - \$ 25,000	20.69	0.85	2.82	2.83
\$ 25,000 - \$ 50,000	14.86	1.15	4.40	4.40
\$ 50,000 - \$ 75,000	6.76	1.03	3.43	3.43
\$ 75,000 - \$100,000	3.84	1.36	2.76	2.76
\$100,000 - \$200,000	4.80	4.08	5.54	5.54
\$200,000 - \$500,000	3.12	11.60	8.02	8.02
\$500,000 and over	2.86	72.02	71.79	71.79
GRAND TOTAL	100.00	100.00	100.00	100.00

TABLE 2. DISTRIBUTION OF INTRASTATE RETURNS BY TAXABLE INCOME CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	16,540	-\$4,151,915	-\$3,174,101	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	2,980	-\$ 147,366	\$ 2,546	\$ 127
\$ 2,000 - \$ 10,000	4,480	33,930	23,930	1,197
\$ 10,000 - \$ 25,000	3,798	61,732	62,363	3,118
\$ 25,000 - \$ 50,000	2,698	94,217	96,225	4,811
\$ 50,000 - \$ 75,000	1,172	73,523	72,102	3,605
\$ 75,000 - \$100,000	642	59,934	55,662	2,783
\$100,000 - \$200,000	674	104,439	92,731	4,637
\$200,000 - \$500,000	336	193,937	100,357	5,018
\$500,000 and over	184	6,934,497	312,242	15,612
TOTAL TAXABLE	16,964	\$7,408,843	\$ 818,158	\$40,908
GRAND TOTAL	33,503	\$3,256,928	-\$2,355,943	\$40,908
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	17.57	- 1.99	0.31	0.31
\$ 2,000 - \$ 10,000	26.41	0.46	2.92	2.93
\$ 10,000 - \$ 25,000	22.39	0.83	7.62	7.62
\$ 25,000 - \$ 50,000	15.90	1.27	11.76	11.76
\$ 50,000 - \$ 75,000	6.91	0.99	8.81	8.81
\$ 75,000 - \$100,000	3.78	0.81	6.80	6.80
\$100,000 - \$200,000	3.97	1.41	11.33	11.34
\$200,000 - \$500,000	1.98	2.62	12.27	12.27
\$500,000 and over	1.08	93.60	38.16	38.16
GRAND TOTAL	100.00	100.00	100.00	100.00

TABLE 3. DISTRIBUTION OF INTERSTATE RETURNS BY TAXABLE INCOME CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	5,220	-\$ 86,722,126	-\$3,394,860	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	850	\$ 2,687,623	\$ 612	\$ 31
\$ 2,000 - \$ 10,000	830	8,167,967	4,276	214
\$ 10,000 - \$ 25,000	594	1,094,347	10,032	502
\$ 25,000 - \$ 50,000	456	1,464,089	16,572	829
\$ 50,000 - \$ 75,000	262	1,326,005	15,904	795
\$ 75,000 - \$100,000	174	1,780,632	15,025	751
\$100,000 - \$200,000	345	5,435,110	49,329	2,466
\$200,000 - \$500,000	327	15,555,576	105,214	5,261
\$500,000 and over	424	90,840,678	1,527,607	76,380
TOTAL TAXABLE	4,262	\$128,352,027	\$1,744,571	\$87,229
GRAND TOTAL	9,482	\$ 41,629,903	-\$1,650,287	\$87,229
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	19.94	2.09	0.04	0.04
\$ 2,000 - \$ 10,000	19.47	6.36	0.25	0.25
\$ 10,000 - \$ 25,000	13.94	0.85	0.58	0.58
\$ 25,000 - \$ 50,000	10.70	1.14	0.95	0.95
\$ 50,000 - \$ 75,000	6.15	1.03	0.91	0.91
\$ 75,000 - \$100,000	4.08	1.39	0.86	0.86
\$100,000 - \$200,000	8.09	4.23	2.83	2.83
\$200,000 - \$500,000	7.67	12.12	6.03	6.03
\$500,000 and over	9.95	70.77	87.56	87.56
GRAND TOTAL	100.00	100.00	100.00	100.00

TABLE 4. DISTRIBUTION OF ALL DOMESTIC RETURNS BY TAXABLE INCOME CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	16,340	-\$4,645,438	-\$3,255,314	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	3,020	\$ 23,850	\$ 2,577	\$ 129
\$ 2,000 - \$ 10,000	4,430	30,962	23,673	1,184
\$ 10,000 - \$ 25,000	3,792	63,673	62,211	3,111
\$ 25,000 - \$ 50,000	2,710	105,498	96,665	4,833
\$ 50,000 - \$ 75,000	1,201	84,813	73,815	3,691
\$ 75,000 - \$100,000	635	59,379	54,931	2,747
\$100,000 - \$200,000	687	375,421	94,290	4,715
\$200,000 - \$500,000	353	694,166	107,990	5,400
\$500,000 and over	238	2,650,694	767,783	38,389
TOTAL TAXABLE	17,066	\$4,088,456	\$1,283,935	\$64,197
GRAND TOTAL	33,405	-\$ 556,984	-\$1,971,381	\$64,197
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	17.70	0.58	0.20	0.20
\$ 2,000 - \$ 10,000	25.96	0.76	1.84	1.84
\$ 10,000 - \$ 25,000	22.22	1.56	4.85	4.85
\$ 25,000 - \$ 50,000	15.88	2.58	7.53	7.53
\$ 50,000 - \$ 75,000	7.04	2.07	5.75	5.75
\$ 75,000 - \$100,000	3.72	1.45	4.28	4.28
\$100,000 - \$200,000	4.03	9.18	7.34	7.34
\$200,000 - \$500,000	2.07	16.98	8.41	8.41
\$500,000 and over	1.39	64.83	59.80	59.80
GRAND TOTAL	100.00	100.00	100.00	100.00

TABLE 5. DISTRIBUTION OF DOMESTIC INTRASTATE  
RETURNS BY TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	15,100	-\$1,813,905	-\$1,881,933	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	2,890	\$ 2,342	\$ 2,488	\$ 124
\$ 2,000 - \$ 10,000	4,310	21,428	23,095	1,155
\$ 10,000 - \$ 25,000	3,684	59,180	60,466	3,023
\$ 25,000 - \$ 50,000	2,590	90,558	92,332	4,617
\$ 50,000 - \$ 75,000	1,137	70,962	69,831	3,492
\$ 75,000 - \$100,000	594	50,526	51,434	2,572
\$100,000 - \$200,000	609	84,736	83,455	4,173
\$200,000 - \$500,000	281	85,496	84,277	4,214
\$500,000 and over	145	205,851	210,317	10,516
TOTAL TAXABLE	<u>16,240</u>	<u>\$ 671,079</u>	<u>\$ 677,695</u>	<u>\$33,885</u>
GRAND TOTAL	31,340	-\$1,142,827	-\$1,204,238	\$33,885
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	17.80	0.35	0.37	0.37
\$ 2,000 - \$ 10,000	26.54	3.19	3.41	3.41
\$ 10,000 - \$ 25,000	22.68	8.82	8.92	8.92
\$ 25,000 - \$ 50,000	15.95	13.49	13.62	13.63
\$ 50,000 - \$ 75,000	7.00	10.57	10.30	10.31
\$ 75,000 - \$100,000	3.66	7.53	7.59	7.59
\$100,000 - \$200,000	3.75	12.63	12.31	12.31
\$200,000 - \$500,000	1.73	12.74	12.44	12.44
\$500,000 and over	<u>0.89</u>	<u>30.67</u>	<u>31.03</u>	<u>31.03</u>
GRAND TOTAL	100.00	100.00	100.00	100.00

TABLE 6. DISTRIBUTION OF DOMESTIC INTERSTATE  
 RETURNS BY TAXABLE INCOME CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	1,240	-\$2,831,533	-\$1,373,382	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	130	\$ 21,509	\$ 89	\$ 4
\$ 2,000 - \$ 10,000	120	9,534	578	29
\$ 10,000 - \$ 25,000	108	4,493	1,745	87
\$ 25,000 - \$ 50,000	120	14,940	4,333	217
\$ 50,000 - \$ 75,000	64	13,851	3,983	199
\$ 75,000 - \$100,000	41	8,854	3,497	175
\$100,000 - \$200,000	78	290,684	10,835	542
\$200,000 - \$500,000	72	608,670	23,713	1,186
\$500,000 and over	93	2,444,842	557,466	27,873
TOTAL TAXABLE	<u>826</u>	<u>\$3,417,377</u>	<u>\$ 606,239</u>	<u>\$30,312</u>
GRAND TOTAL	2,066	\$ 585,843	-\$ 767,143	\$30,312
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	15.74	0.63	0.01	0.01
\$ 2,000 - \$ 10,000	14.53	0.28	0.10	0.10
\$ 10,000 - \$ 25,000	13.08	0.13	0.29	0.29
\$ 25,000 - \$ 50,000	14.53	0.44	0.71	0.72
\$ 50,000 - \$ 75,000	7.75	0.41	0.66	0.66
\$ 75,000 - \$100,000	4.96	0.26	0.58	0.58
\$100,000 - \$200,000	9.44	8.51	1.79	1.79
\$200,000 - \$500,000	8.72	17.81	3.91	3.91
\$500,000 and over	<u>11.26</u>	<u>71.54</u>	<u>91.95</u>	<u>91.95</u>
GRAND TOTAL	100.00	100.00	100.00	100.00



TABLE 7. DISTRIBUTION OF ALL FOREIGN RETURNS BY TAXABLE INCOME CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	5,420	-\$ 86,228,602	-\$3,313,646	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	810	\$ 2,516,407	\$ 582	\$ 29
\$ 2,000 - \$ 10,000	880	8,170,936	4,533	227
\$ 10,000 - \$ 25,000	600	1,092,406	10,184	509
\$ 25,000 - \$ 50,000	444	1,452,808	16,131	807
\$ 50,000 - \$ 75,000	233	1,314,715	14,191	710
\$ 75,000 - \$100,000	182	1,781,187	15,757	788
\$100,000 - \$200,000	332	5,164,129	47,770	2,389
\$200,000 - \$500,000	310	15,055,347	97,580	4,879
\$500,000 and over	370	95,124,482	1,072,066	53,603
TOTAL TAXABLE	4,161	\$131,672,417	\$1,278,794	\$63,940
GRAND TOTAL	9,580	\$ 45,443,814	-\$2,034,851	\$63,940
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	19.47	1.91	0.05	0.05
\$ 2,000 - \$ 10,000	21.15	6.21	0.35	0.36
\$ 10,000 - \$ 25,000	14.42	0.83	0.80	0.80
\$ 25,000 - \$ 50,000	10.67	1.10	1.26	1.26
\$ 50,000 - \$ 75,000	5.60	1.00	1.11	1.11
\$ 75,000 - \$100,000	4.37	1.35	1.23	1.23
\$100,000 - \$200,000	7.98	3.92	3.74	3.74
\$200,000 - \$500,000	7.45	11.43	7.63	7.63
\$500,000 and over	8.89	72.24	83.83	83.83
GRAND TOTAL	100.00	100.00	100.00	100.00

TABLE 8. DISTRIBUTION OF FOREIGN INTRASTATE  
RETURNS BY TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	1,440	-\$2,338,010	-\$1,292,168	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	90	-\$ 149,708	\$ 59	\$ 3
\$ 2,000 - \$ 10,000	170	12,502	835	42
\$ 10,000 - \$ 25,000	114	2,552	1,897	95
\$ 25,000 - \$ 50,000	108	3,660	3,893	195
\$ 50,000 - \$ 75,000	35	2,561	2,270	114
\$ 75,000 - \$100,000	48	9,408	4,228	211
\$100,000 - \$200,000	65	19,702	9,276	464
\$200,000 - \$500,000	55	108,441	16,079	804
\$500,000 and over	39	6,728,646	101,925	5,096
TOTAL TAXABLE	<u>724</u>	<u>\$6,737,764</u>	<u>\$ 140,462</u>	<u>\$7,023</u>
GRAND TOTAL	2,164	\$4,399,755	-\$1,151,705	\$7,023
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	12.43	-	2.22	0.04
\$ 2,000 - \$ 10,000	23.48	0.19	0.59	0.60
\$ 10,000 - \$ 25,000	15.75	0.04	1.35	1.35
\$ 25,000 - \$ 50,000	14.92	0.05	2.77	2.78
\$ 50,000 - \$ 75,000	4.83	0.04	1.62	1.62
\$ 75,000 - \$100,000	6.63	0.14	3.01	3.00
\$100,000 - \$200,000	8.98	0.29	6.60	6.61
\$200,000 - \$500,000	7.60	1.61	11.45	11.45
\$500,000 and over	<u>5.39</u>	<u>99.86</u>	<u>72.56</u>	<u>72.55</u>
GRAND TOTAL	100.00	100.00	100.00	100.00

TABLE 9. DISTRIBUTION OF FOREIGN INTERSTATE  
 RETURNS BY TAXABLE INCOME CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	3,980	-\$ 83,890,592	-\$2,021,478	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	720	\$ 2,666,115	\$ 523	\$ 26
\$ 2,000 - \$ 10,000	710	8,158,433	3,698	185
\$ 10,000 - \$ 25,000	486	1,089,854	8,287	414
\$ 25,000 - \$ 50,000	336	1,449,148	12,239	612
\$ 50,000 - \$ 75,000	198	1,312,154	11,921	596
\$ 75,000 - \$100,000	134	1,771,779	11,528	576
\$100,000 - \$200,000	267	5,144,426	38,494	1,925
\$200,000 - \$500,000	255	14,946,906	81,501	4,075
\$500,000 and over	331	88,395,836	970,141	48,507
TOTAL TAXABLE	<u>3,437</u>	<u>\$124,934,651</u>	<u>\$1,138,332</u>	<u>\$56,917</u>
GRAND TOTAL	7,417	\$ 41,044,059	-\$ 883,146	\$56,917
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	20.95	2.13	0.05	0.05
\$ 2,000 - \$ 10,000	20.66	6.53	0.32	0.33
\$ 10,000 - \$ 25,000	14.14	0.87	0.73	0.73
\$ 25,000 - \$ 50,000	9.78	1.16	1.08	1.08
\$ 50,000 - \$ 75,000	5.76	1.05	1.05	1.05
\$ 75,000 - \$100,000	3.90	1.42	1.01	1.01
\$100,000 - \$200,000	7.77	4.12	3.38	3.38
\$200,000 - \$500,000	7.42	11.96	7.16	7.16
\$500,000 and over	<u>9.63</u>	<u>70.75</u>	<u>85.22</u>	<u>85.23</u>
GRAND TOTAL	100.00	100.00	100.00	100.00

TABLE 10. DISTRIBUTION OF INTERSTATE RETURNS USING  
TWO-FACTOR FORMULA BY COLORADO TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	2,300	-\$61,431,807	-\$2,014,160	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	410	\$ 1,196,762	\$ 303	\$ 15
\$ 2,000 - \$ 10,000	360	145,784	1,952	98
\$ 10,000 - \$ 25,000	270	322,779	4,350	217
\$ 25,000 - \$ 50,000	202	242,362	6,866	343
\$ 50,000 - \$ 75,000	83	109,539	5,091	255
\$ 75,000 - \$100,000	68	219,533	5,873	294
\$100,000 - \$200,000	126	747,047	18,142	907
\$200,000 - \$500,000	106	6,221,986	34,617	1,731
\$500,000 and over	168	28,419,900	859,839	42,992
TOTAL TAXABLE	1,793	\$37,625,692	\$ 937,033	\$46,852
GRAND TOTAL	4,092	-\$23,806,114	-\$1,077,127	\$46,852
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	22.87	3.18	0.03	0.03
\$ 2,000 - \$ 10,000	20.08	0.39	0.21	0.21
\$ 10,000 - \$ 25,000	15.06	0.86	0.46	0.46
\$ 25,000 - \$ 50,000	11.27	0.64	0.73	0.73
\$ 50,000 - \$ 75,000	4.63	0.29	0.54	0.54
\$ 75,000 - \$100,000	3.79	0.58	0.63	0.63
\$100,000 - \$200,000	7.03	1.99	1.94	1.94
\$200,000 - \$500,000	5.91	16.54	3.69	3.69
\$500,000 and over	9.37	75.53	91.76	91.76
GRAND TOTAL	100.00	100.00	100.00	100.00

TABLE 11. DISTRIBUTION OF INTERSTATE RETURNS USING  
THREE-FACTOR FORMULA BY COLORADO TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	2,820	-\$22,781,742	-\$1,347,575	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	420	\$ 1,489,773	\$ 291	\$ 15
\$ 2,000 - \$ 10,000	460	8,022,067	2,242	112
\$ 10,000 - \$ 25,000	318	766,257	5,592	280
\$ 25,000 - \$ 50,000	254	1,221,726	9,705	485
\$ 50,000 - \$ 75,000	180	1,216,465	10,813	541
\$ 75,000 - \$100,000	102	1,468,224	8,758	438
\$100,000 - \$200,000	218	4,670,142	30,998	1,550
\$200,000 - \$500,000	215	9,150,857	68,557	3,428
\$500,000 and over	240	47,322,835	523,629	26,181
TOTAL TAXABLE	<u>2,407</u>	<u>\$75,328,346</u>	<u>\$ 660,585</u>	<u>\$33,029</u>
GRAND TOTAL	5,226	\$52,546,606	-\$ 686,988	\$33,029
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	17.45	1.98	0.04	0.05
\$ 2,000 - \$ 10,000	19.11	10.65	0.34	0.34
\$ 10,000 - \$ 25,000	13.21	1.02	0.85	0.85
\$ 25,000 - \$ 50,000	10.55	1.62	1.47	1.47
\$ 50,000 - \$ 75,000	7.48	1.61	1.64	1.64
\$ 75,000 - \$100,000	4.24	1.95	1.33	1.33
\$100,000 - \$200,000	9.06	6.20	4.69	4.69
\$200,000 - \$500,000	8.93	12.15	10.38	10.38
\$500,000 and over	<u>9.97</u>	<u>62.82</u>	<u>79.27</u>	<u>79.26</u>
GRAND TOTAL	100.00	100.00	100.00	100.00

TABLE 12. DISTRIBUTION OF INTERSTATE RETURNS USING  
SPECIAL APPORTIONMENT METHOD BY COLORADO TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	100	-\$ 2,508,577	-\$ 33,125	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	20	\$ 1,088	\$ 18	\$ 1
\$ 2,000 - \$ 10,000	10	116	82	4
\$ 10,000 - \$ 25,000	6	5,310	90	4
\$ 25,000 - \$ 50,000	0	0	0	0
\$ 50,000 - \$ 75,000	0	0	0	0
\$ 75,000 - \$100,000	5	92,876	394	20
\$100,000 - \$200,000	2	17,921	190	9
\$200,000 - \$500,000	6	182,733	2,040	102
\$500,000 and over	16	15,097,944	144,139	7,207
TOTAL TAXABLE	65	\$15,397,988	\$146,953	\$7,348
GRAND TOTAL	164	\$12,889,410	\$113,826	\$7,348
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	30.77	0.01	0.01	0.01
\$ 2,000 - \$ 10,000	15.38	*	0.06	0.05
\$ 10,000 - \$ 25,000	9.23	0.03	0.06	0.05
\$ 25,000 - \$ 50,000	0.00	0.00	0.00	0.00
\$ 50,000 - \$ 75,000	0.00	0.00	0.00	0.00
\$ 75,000 - \$100,000	7.69	0.60	0.27	0.27
\$100,000 - \$200,000	3.08	0.12	0.13	0.12
\$200,000 - \$500,000	9.23	1.19	1.39	1.39
\$500,000 and over	24.62	98.05	98.09	98.09
GRAND TOTAL	100.00	100.00	100.00	100.00

\* Less than 0.01%

TABLE 13. DISTRIBUTION OF NUMBER OF RETURNS BY MAJOR INDUSTRY CLASSES  
AND TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
A. Number of Returns									
NONTAXABLE RETURNS	480	1,680	3,100	1,920	520	4,380	4,160	5,520	21,760
TAXABLE RETURNS									
Under \$ 2,000	110	70	330	290	110	620	830	1,470	3,830
\$ 2,000 - \$ 10,000	100	150	520	280	110	1,170	810	2,170	5,310
\$ 10,000 - \$ 25,000	126	84	414	336	108	1,182	684	1,458	4,392
\$ 25,000 - \$ 50,000	102	70	336	310	90	874	386	986	3,154
\$ 50,000 - \$ 75,000	64	23	205	160	40	405	157	382	1,436
\$ 75,000 - \$100,000	30	23	101	114	29	236	110	176	819
\$100,000 - \$200,000	30	23	108	209	51	320	114	165	1,020
\$200,000 - \$500,000	20	21	59	176	26	189	91	81	663
\$500,000 and over	5	32	31	209	35	148	90	58	608
TOTAL TAXABLE	587	496	2,104	2,084	599	5,144	3,272	6,946	21,232
GRAND TOTAL	1,067	2,175	5,203	4,003	1,119	9,523	7,431	12,465	42,986
B. Percentage Distribution by Income Class									
NONTAXABLE RETURNS	44.99	77.24	59.58	47.96	46.47	45.99	55.98	44.28	50.62
TAXABLE RETURNS									
Under \$ 2,000	10.31	3.22	6.34	7.24	9.83	6.51	11.17	11.79	8.91
\$ 2,000 - \$ 10,000	9.37	6.90	9.99	6.99	9.83	12.29	10.90	17.41	12.35
\$ 10,000 - \$ 25,000	11.81	3.86	7.96	8.39	9.65	12.41	9.20	11.70	10.22
\$ 25,000 - \$ 50,000	9.56	3.22	6.46	7.74	8.04	9.18	5.19	7.91	7.34
\$ 50,000 - \$ 75,000	6.00	1.06	3.94	4.00	3.57	4.25	2.11	3.06	3.34
\$ 75,000 - \$100,000	2.81	1.06	1.94	2.85	2.59	2.48	1.48	1.41	1.91
\$100,000 - \$200,000	2.81	1.06	2.08	5.22	4.56	3.36	1.53	1.32	2.37
\$200,000 - \$500,000	1.87	0.97	1.13	4.40	2.32	1.98	1.22	0.65	1.54
\$500,000 and over	0.47	1.47	0.60	5.22	3.13	1.55	1.21	0.47	1.41
TOTAL TAXABLE	55.01	22.80	40.44	52.06	53.53	54.02	44.03	55.72	49.39
GRAND TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
NONTAXABLE RETURNS	2.21	7.72	14.25	8.82	2.39	20.13	19.12	25.37	100.00
TAXABLE RETURNS									
Under \$ 2,000	2.87	1.83	8.62	7.57	2.87	16.19	21.67	38.38	100.00
\$ 2,000 - \$ 10,000	1.88	2.82	9.79	5.27	2.07	22.03	15.25	40.87	100.00
\$ 10,000 - \$ 25,000	2.87	1.91	9.43	7.65	2.46	26.91	15.57	33.20	100.00
\$ 25,000 - \$ 50,000	3.23	2.22	10.65	9.83	2.85	27.71	12.24	31.26	100.00
\$ 50,000 - \$ 75,000	4.46	1.60	14.28	11.14	2.79	28.20	10.93	26.60	100.00
\$ 75,000 - \$100,000	3.66	2.81	12.33	13.92	3.54	28.82	13.43	21.49	100.00
\$100,000 - \$200,000	2.94	2.25	10.59	20.49	5.00	31.37	11.18	16.18	100.00
\$200,000 - \$500,000	3.02	3.17	8.90	26.55	3.92	28.51	13.73	12.22	100.00
\$500,000 and over	0.82	5.26	5.10	34.38	5.76	24.34	14.80	9.54	100.00
TOTAL TAXABLE	2.76	2.34	9.91	9.82	2.82	24.23	15.41	32.71	100.00
GRAND TOTAL	2.48	5.06	12.10	9.31	2.60	22.15	17.29	29.00	100.00

TABLE 14. DISTRIBUTION OF TOTAL ASSETS OF ALL RETURNS BY  
MAJOR INDUSTRY CLASSES AND TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
A. Dollar Amounts in Millions									
NONTAXABLE RETURNS	\$ 521	\$1,873,821	\$39,143	\$153,545	\$ 35,267	\$ 92,088	\$508,008	\$ 47,008	\$2,749,401
TAXABLE RETURNS									
Under \$ 2,000	\$ 10	\$ 997	\$ 514	\$ 976	\$ 768	\$ 1,044	\$ 76,901	\$ 865	\$ 82,075
\$ 2,000 - \$ 10,000	89	7,402	6,618	37,413	1,045	2,053	11,340	15,705	81,665
\$ 10,000 - \$ 25,000	88	33	278	4,265	216	7,552	15,693	6,105	34,230
\$ 25,000 - \$ 50,000	243	995	563	7,189	12,944	6,026	3,434	5,411	36,805
\$ 50,000 - \$ 75,000	56	190	196	8,229	593	3,985	30,463	1,447	45,159
\$ 75,000 - \$100,000	29	616	232	23,603	1,547	12,461	1,750	1,402	41,640
\$100,000 - \$200,000	73	1,204	844	44,811	21,813	11,772	4,932	2,826	88,275
\$200,000 - \$500,000	82	164,128	1,966	54,512	10,408	47,620	20,015	10,307	309,038
\$500,000 and over	771	129,446	7,150	526,267	105,052	149,962	103,718	16,565	1,038,931
TOTAL TAXABLE	\$1,441	\$ 305,011	\$18,361	\$707,265	\$154,386	\$242,475	\$268,246	\$ 60,633	\$1,757,818
GRAND TOTAL	\$1,962	\$2,178,832	\$57,505	\$860,808	\$189,654	\$334,562	\$776,256	\$107,642	\$4,507,221
B. Percentage Distribution by Income Class									
NONTAXABLE RETURNS	26.55	86.00	68.07	17.84	18.60	27.52	65.44	43.67	61.00
TAXABLE RETURNS									
Under \$ 2,000	0.51	0.05	0.89	0.11	0.40	0.31	9.91	0.80	1.82
\$ 2,000 - \$ 10,000	4.54	0.34	11.51	4.35	0.55	0.61	1.46	14.59	1.81
\$ 10,000 - \$ 25,000	4.49	*	0.48	0.50	0.11	2.26	2.02	5.67	0.76
\$ 25,000 - \$ 50,000	12.39	0.05	0.98	0.84	6.83	1.80	0.44	5.03	0.82
\$ 50,000 - \$ 75,000	2.85	0.01	0.34	0.96	0.31	1.19	3.92	1.34	1.00
\$ 75,000 - \$100,000	1.48	0.03	0.40	2.74	0.82	3.72	0.23	1.30	0.92
\$100,000 - \$200,000	3.72	0.06	1.47	5.21	11.50	3.52	0.64	2.63	1.96
\$200,000 - \$500,000	4.18	7.53	3.42	6.33	5.49	14.23	2.58	9.58	6.86
\$500,000 and over	39.30	5.94	12.43	61.14	55.39	44.82	13.36	15.39	23.05
TOTAL TAXABLE	73.45	14.00	31.93	82.16	81.40	72.48	34.56	56.33	39.00
GRAND TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
NONTAXABLE RETURNS	0.02	68.15	1.42	5.58	1.28	3.35	18.48	1.71	100.00
TAXABLE RETURNS									
Under \$ 2,000	0.01	1.21	0.63	1.19	0.94	1.27	93.70	1.05	100.00
\$ 2,000 - \$ 10,000	0.11	9.06	8.10	45.81	1.28	2.51	13.89	19.23	100.00
\$ 10,000 - \$ 25,000	0.26	0.10	0.81	12.46	0.63	22.06	45.85	17.84	100.00
\$ 25,000 - \$ 50,000	0.66	2.70	1.53	19.53	35.17	16.37	9.33	14.70	100.00
\$ 50,000 - \$ 75,000	0.12	0.42	0.43	18.22	1.31	8.82	67.46	3.20	100.00
\$ 75,000 - \$100,000	0.07	1.48	0.56	56.68	3.72	29.93	4.20	3.37	100.00
\$100,000 - \$200,000	0.08	1.36	0.96	50.76	24.71	13.34	5.59	3.20	100.00
\$200,000 - \$500,000	0.03	53.11	0.64	17.64	3.37	15.41	6.48	3.34	100.00
\$500,000 and over	0.07	12.46	0.69	50.65	10.11	14.43	9.98	1.59	100.00
TOTAL TAXABLE	0.08	17.35	1.04	40.24	8.78	13.79	15.26	3.45	100.00
GRAND TOTAL	0.04	48.34	1.28	19.10	4.21	7.42	17.22	2.39	100.00

\* Less than .01 percent



TABLE 15. DISTRIBUTION OF FEDERAL TAXABLE INCOME OF ALL RETURNS BY  
MAJOR INDUSTRY CLASSES AND TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
A. Dollar Amounts in Thousands									
NONTAXABLE RETURNS	-\$ 76,482	-\$54,311,448	-\$2,064,841	-\$ 5,258,586	-\$3,432,544	-\$ 8,294,117	-\$10,588,740	-\$6,847,282	-\$ 90,874,040
TAXABLE RETURNS									
Under \$ 2,000	\$ 1,268	-\$ 153,161	\$ 5,786	\$ 57,608	\$ 95,073	\$ 30,942	\$ 2,189,422	\$ 313,318	\$ 2,540,256
\$ 2,000 - \$ 10,000	2,274	333,835	1,710,167	1,535,652	62,802	117,523	2,505,623	1,934,022	8,201,898
\$ 10,000 - \$ 25,000	154,111	2,922	38,385	250,620	8,953	432,436	136,372	132,281	1,156,080
\$ 25,000 - \$ 50,000	3,905	560,299	26,503	336,928	113,711	304,702	45,036	167,222	1,558,306
\$ 50,000 - \$ 75,000	7,254	13,312	15,935	700,365	24,215	317,315	111,900	209,232	1,399,528
\$ 75,000 - \$100,000	3,475	137,395	25,455	1,118,580	58,316	222,015	39,344	235,988	1,840,568
\$100,000 - \$200,000	3,638	456,093	83,454	3,306,328	432,226	558,876	208,584	490,351	5,539,550
\$200,000 - \$500,000	7,405	5,265,031	158,984	6,624,052	879,918	1,602,756	542,493	668,873	15,749,512
\$500,000 and over	319,819	4,344,446	353,565	58,578,158	5,863,512	23,813,252	2,483,323	2,019,099	97,775,174
TOTAL TAXABLE	\$503,149	\$10,960,172	\$2,418,234	\$72,508,291	\$7,538,726	\$27,399,817	\$ 8,262,097	\$6,170,386	\$135,760,872
GRAND TOTAL	\$426,668	-\$43,351,276	\$ 353,392	\$67,249,705	\$4,106,181	\$19,105,701	-\$ 2,326,643	-\$ 676,898	\$ 44,886,830
B. Percentage Distribution of Taxable Returns by Income									
TAXABLE RETURNS									
Under \$ 2,000	0.25	- 1.40	0.24	0.08	1.26	0.11	26.50	5.08	1.87
\$ 2,000 - \$ 10,000	0.45	3.05	70.72	2.12	0.83	0.43	30.33	31.34	6.04
\$ 10,000 - \$ 25,000	30.63	0.03	1.59	0.35	0.12	1.58	1.65	2.14	0.85
\$ 25,000 - \$ 50,000	0.78	5.11	1.10	0.46	1.51	1.11	0.55	2.71	1.15
\$ 50,000 - \$ 75,000	1.44	0.12	0.66	0.97	0.32	1.16	1.35	3.39	1.03
\$ 75,000 - \$100,000	0.69	1.25	1.05	1.54	0.77	0.81	0.48	3.82	1.36
\$100,000 - \$200,000	0.72	4.16	3.45	4.56	5.73	2.04	2.52	7.95	4.08
\$200,000 - \$500,000	1.47	48.04	6.57	9.14	11.67	5.85	6.57	10.84	11.60
\$500,000 and over	63.56	39.64	14.62	80.79	77.78	86.91	30.06	32.72	72.02
TOTAL TAXABLE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
NONTAXABLE RETURNS	0.08	59.77	2.27	5.79	3.78	9.13	11.65	7.53	100.00
TAXABLE RETURNS									
Under \$ 2,000	0.05	- 6.03	0.23	2.27	3.74	1.22	86.19	12.33	100.00
\$ 2,000 - \$ 10,000	0.03	4.07	20.85	18.72	0.77	1.43	30.55	23.58	100.00
\$ 10,000 - \$ 25,000	13.33	0.25	3.32	21.68	0.77	37.41	11.80	11.44	100.00
\$ 25,000 - \$ 50,000	0.25	35.96	1.70	21.62	7.30	19.55	2.89	10.73	100.00
\$ 50,000 - \$ 75,000	0.52	0.95	1.14	50.04	1.73	22.67	8.00	14.95	100.00
\$ 75,000 - \$100,000	0.19	7.46	1.38	60.77	3.17	12.06	2.14	12.82	100.00
\$100,000 - \$200,000	0.07	8.23	1.51	59.69	7.80	10.09	3.77	8.85	100.00
\$200,000 - \$500,000	0.05	33.43	1.01	42.06	5.59	10.18	3.44	4.25	100.00
\$500,000 and over	0.33	4.44	0.36	59.91	6.00	24.36	2.54	2.07	100.00
TOTAL TAXABLE	0.37	8.07	1.78	53.41	5.55	20.18	6.09	4.55	100.00
GRAND TOTAL	0.95	- 96.58	0.79	149.82	9.15	42.56	- 5.18	- 1.51	100.00

TABLE 16. DISTRIBUTION OF COLORADO TAXABLE INCOME OF ALL RETURNS BY MAJOR INDUSTRY CLASSES AND TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
A. Dollar Amounts in Thousands									
NONTAXABLE RETURNS	-\$85,067	-\$957,067	-\$225,883	-\$319,359	-\$1,330,721	-\$631,169	-\$2,552,861	-\$466,834	-\$6,568,961
TAXABLE RETURNS									
Under \$ 2,000	\$ 71	\$ 52	\$ 260	\$ 249	\$ 68	\$ 627	\$ 651	\$ 1,181	\$ 3,159
\$ 2,000 - \$ 10,000	531	601	2,746	1,647	593	6,166	4,123	11,798	28,205
\$ 10,000 - \$ 25,000	2,081	1,438	6,172	5,882	1,754	20,424	11,081	23,563	72,395
\$ 25,000 - \$ 50,000	3,793	2,495	12,038	11,219	3,080	30,886	13,959	35,325	112,795
\$ 50,000 - \$ 75,000	3,873	1,474	12,352	9,799	2,446	24,750	10,048	23,263	88,005
\$ 75,000 - \$100,000	2,667	1,948	8,754	9,889	2,493	20,283	9,504	15,148	70,686
\$100,000 - \$200,000	3,699	3,170	14,529	29,255	6,964	45,977	15,537	22,928	142,059
\$200,000 - \$500,000	6,948	7,063	18,196	57,233	7,855	56,912	28,109	23,255	205,571
\$500,000 and over	4,954	60,979	53,729	603,698	506,278	317,456	199,116	93,639	1,839,849
TOTAL TAXABLE	\$28,617	\$ 79,220	\$128,776	\$728,871	\$ 531,531	\$523,481	\$ 292,128	\$250,100	\$2,562,724
GRAND TOTAL	-\$56,450	-\$877,845	-\$ 97,107	\$409,512	-\$ 799,189	-\$107,688	-\$2,260,733	-\$216,734	-\$4,006,234
B. Percentage Distribution by Income Class									
TAXABLE RETURNS									
Under \$ 2,000	0.25	0.07	0.20	0.03	0.01	0.12	0.22	0.47	0.12
\$ 2,000 - \$ 10,000	1.86	0.76	2.13	0.23	0.11	1.18	1.41	4.72	1.10
\$ 10,000 - \$ 25,000	7.27	1.82	4.79	0.81	0.33	3.90	3.79	9.42	2.82
\$ 25,000 - \$ 50,000	13.25	3.15	9.35	1.54	0.58	5.90	4.78	14.12	4.40
\$ 50,000 - \$ 75,000	13.53	1.86	9.59	1.34	0.46	4.73	3.44	9.30	3.43
\$ 75,000 - \$100,000	9.32	2.46	6.80	1.36	0.47	3.87	3.25	6.06	2.76
\$100,000 - \$200,000	12.93	4.00	11.28	4.01	1.31	8.78	5.32	9.17	5.54
\$200,000 - \$500,000	24.28	8.92	14.13	7.85	1.48	10.87	9.62	9.30	8.02
\$500,000 and over	17.31	76.97	41.72	82.83	95.25	60.64	68.16	37.44	71.79
TOTAL TAXABLE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
NONTAXABLE RETURNS	1.29	14.57	3.44	4.86	20.26	9.61	38.86	7.11	100.00
TAXABLE RETURNS									
Under \$ 2,000	2.25	1.65	8.23	7.88	2.15	19.85	20.61	37.39	100.00
\$ 2,000 - \$ 10,000	1.88	2.13	9.74	5.84	2.10	21.86	14.62	41.83	100.00
\$ 10,000 - \$ 25,000	2.87	1.99	8.53	8.12	2.42	28.21	15.31	32.55	100.00
\$ 25,000 - \$ 50,000	3.36	2.21	10.67	9.95	2.73	27.38	12.38	31.32	100.00
\$ 50,000 - \$ 75,000	4.40	1.67	14.04	11.13	2.78	28.12	11.42	26.43	100.00
\$ 75,000 - \$100,000	3.77	2.76	12.38	13.99	3.53	28.69	13.45	21.43	100.00
\$100,000 - \$200,000	2.60	2.23	10.23	20.59	4.90	32.36	10.94	16.14	100.00
\$200,000 - \$500,000	3.38	3.44	8.85	27.84	3.82	27.68	13.67	11.31	100.00
\$500,000 and over	0.27	3.31	2.92	32.81	27.52	17.25	10.82	5.09	100.00
TOTAL TAXABLE	1.12	3.09	5.02	28.44	20.74	20.43	11.40	9.76	100.00
GRAND TOTAL	1.41	21.91	2.42	-10.22	19.95	2.69	56.43	5.41	100.00

TABLE 17. DISTRIBUTION OF NUMBER OF INTRASTATE RETURNS BY  
MAJOR INDUSTRY CLASSES AND TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
A. Number of Returns									
NONTAXABLE RETURNS	440	620	2,380	1,220	260	3,540	3,160	4,920	16,540
TAXABLE RETURNS									
Under \$ 2,000	90	20	240	170	30	430	690	1,310	2,980
\$ 2,000 - \$ 10,000	60	70	430	170	90	1,060	710	1,890	4,480
\$ 10,000 - \$ 25,000	114	48	396	198	90	1,056	624	1,272	3,798
\$ 25,000 - \$ 50,000	98	34	326	206	42	748	334	910	2,698
\$ 50,000 - \$ 75,000	64	12	188	86	27	355	134	308	1,174
\$ 75,000 - \$100,000	29	15	90	63	17	191	93	146	644
\$100,000 - \$200,000	30	9	98	90	30	219	80	119	675
\$200,000 - \$500,000	15	6	43	55	13	113	55	36	336
\$500,000 and over	2	8	16	45	7	45	45	16	184
TOTAL TAXABLE	502	222	1,827	1,083	346	4,217	2,765	6,007	16,969
GRAND TOTAL	941	842	4,206	2,303	606	7,757	5,924	10,926	33,505
B. Percentage Distribution by Income Class									
NONTAXABLE RETURNS	46.76	73.63	56.59	52.97	42.90	45.64	53.34	45.03	49.37
TAXABLE RETURNS									
Under \$ 2,000	9.56	2.38	5.71	7.38	4.95	5.54	11.65	11.99	8.89
\$ 2,000 - \$ 10,000	6.38	8.31	10.22	7.38	14.85	13.67	11.99	17.30	13.37
\$ 10,000 - \$ 25,000	12.11	5.70	9.42	8.60	14.85	13.61	10.53	11.64	11.34
\$ 25,000 - \$ 50,000	10.41	4.04	7.75	8.94	6.93	9.64	5.64	8.33	8.05
\$ 50,000 - \$ 75,000	6.80	1.43	4.47	3.73	4.46	4.58	2.26	2.82	3.50
\$ 75,000 - \$100,000	3.08	1.78	2.14	2.74	2.81	2.46	1.57	1.34	1.92
\$100,000 - \$200,000	3.19	1.07	2.33	3.91	4.95	2.82	1.35	1.09	2.01
\$200,000 - \$500,000	1.59	0.71	1.02	2.39	2.15	1.46	0.93	0.33	1.00
\$500,000 and over	0.21	0.95	0.38	1.95	1.16	0.58	0.76	0.15	0.55
TOTAL TAXABLE	53.35	26.37	43.44	47.03	57.10	54.36	46.67	54.98	50.65
GRAND TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
NONTAXABLE RETURNS	2.66	3.75	14.39	7.38	1.57	21.40	19.11	29.75	100.00
TAXABLE RETURNS									
Under \$ 2,000	3.02	0.67	8.05	5.70	1.01	14.43	23.15	43.96	100.00
\$ 2,000 - \$ 10,000	1.34	1.56	9.60	3.79	2.01	23.66	15.85	42.19	100.00
\$ 10,000 - \$ 25,000	3.00	1.26	10.43	5.21	2.37	27.80	16.43	33.49	100.00
\$ 25,000 - \$ 50,000	3.63	1.26	12.08	7.64	1.56	27.72	12.38	33.73	100.00
\$ 50,000 - \$ 75,000	5.45	1.02	16.01	7.33	2.30	30.24	11.41	26.24	100.00
\$ 75,000 - \$100,000	4.50	2.33	13.98	9.78	2.64	29.66	14.44	22.67	100.00
\$100,000 - \$200,000	4.44	1.33	14.52	13.33	4.44	32.44	11.85	17.63	100.00
\$200,000 - \$500,000	4.46	1.79	12.80	16.37	3.87	33.63	16.37	10.71	100.00
\$500,000 and over	1.09	4.35	8.70	24.46	3.80	24.46	24.46	8.70	100.00
TOTAL TAXABLE	2.96	1.31	10.77	6.38	2.04	24.85	16.29	35.40	100.00
GRAND TOTAL	2.81	2.51	12.55	6.87	1.81	23.15	17.68	32.61	100.00

TABLE 18. DISTRIBUTION OF TOTAL ASSETS OF INTRASTATE RETURNS BY MAJOR INDUSTRY CLASSES AND TAXABLE INCOME CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
A. Dollar Amounts in Millions									
NONTAXABLE RETURNS	\$423	\$214,108	\$ 561	\$22,547	\$ 76	\$2,298	\$21,913	\$3,251	\$265,177
TAXABLE RETURNS									
Under \$ 2,000	\$ 6	\$ 175	\$ 31	\$ 25	\$ 1	\$ 90	\$ 30	\$ 93	\$ 451
\$ 2,000 - \$ 10,000	10	10	62	28	15	211	114	825	1,275
\$ 10,000 - \$ 25,000	52	8	90	70	33	326	5,562	150	6,291
\$ 25,000 - \$ 50,000	240	10	113	164	27	432	140	216	1,342
\$ 50,000 - \$ 75,000	56	6	138	42	40	326	135	98	841
\$ 75,000 - \$100,000	22	46	71	64	7	231	262	71	774
\$100,000 - \$200,000	73	14	142	208	60	477	885	354	2,213
\$200,000 - \$500,000	58	497	277	353	90	467	1,448	91	3,281
\$500,000 and over	11	244	277	20,996	65	529	5,776	146	28,044
TOTAL TAXABLE	\$528	\$ 1,010	\$1,201	\$21,950	\$338	\$3,089	\$14,352	\$2,044	\$ 44,512
GRAND TOTAL	\$953	\$215,118	\$1,763	\$44,496	\$414	\$5,388	\$36,265	\$5,294	\$309,691
B. Percentage Distribution by Income Class									
NONTAXABLE RETURNS	44.39	99.53	31.82	50.67	18.36	42.65	60.42	61.41	8.63
TAXABLE RETURNS									
Under \$ 2,000	0.63	0.08	1.76	0.06	0.24	1.67	0.08	1.76	0.15
\$ 2,000 - \$ 10,000	1.05	*	3.52	0.06	3.62	3.92	0.31	15.58	0.41
\$ 10,000 - \$ 25,000	5.46	*	5.10	0.16	7.97	6.05	15.34	2.83	2.03
\$ 25,000 - \$ 50,000	25.18	*	6.41	0.37	6.52	8.02	0.39	4.08	0.43
\$ 50,000 - \$ 75,000	5.88	*	7.83	0.09	9.66	6.05	0.37	1.85	0.27
\$ 75,000 - \$100,000	2.31	0.02	4.03	0.14	1.69	4.29	0.72	1.34	0.25
\$100,000 - \$200,000	7.66	0.01	8.05	0.47	14.49	8.85	2.44	6.69	0.71
\$200,000 - \$500,000	6.09	0.23	15.71	0.79	21.74	8.67	3.99	1.72	1.06
\$500,000 and over	1.15	0.11	15.71	47.19	15.70	9.82	15.93	2.76	9.06
TOTAL TAXABLE	55.40	0.47	68.12	49.33	81.64	57.33	39.58	38.61	14.37
GRAND TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
NONTAXABLE RETURNS	0.16	80.74	0.21	8.50	0.03	0.87	8.26	1.23	100.00
TAXABLE RETURNS									
Under \$ 2,000	1.33	38.80	6.87	5.54	0.22	19.96	6.65	20.62	100.00
\$ 2,000 - \$ 10,000	0.78	0.78	4.86	2.20	1.18	16.55	8.94	64.71	100.00
\$ 10,000 - \$ 25,000	0.83	0.13	1.43	1.11	0.52	5.18	88.41	2.38	100.00
\$ 25,000 - \$ 50,000	17.88	0.75	8.42	12.22	2.01	32.19	10.43	16.10	100.00
\$ 50,000 - \$ 75,000	6.66	0.71	16.41	4.99	4.76	38.76	16.05	11.65	100.00
\$ 75,000 - \$100,000	2.84	5.94	9.17	8.27	0.90	29.84	33.85	9.17	100.00
\$100,000 - \$200,000	3.30	0.63	6.42	9.40	2.71	21.55	39.99	16.00	100.00
\$200,000 - \$500,000	1.77	15.15	8.44	10.76	2.74	14.23	44.13	2.77	100.00
\$500,000 and over	0.04	0.87	0.99	74.87	0.23	1.89	20.60	0.52	100.00
TOTAL TAXABLE	1.19	2.27	2.70	49.31	0.76	6.94	32.24	4.59	100.00
GRAND TOTAL	0.31	69.46	0.57	14.37	0.13	1.74	11.71	1.71	100.00

\* Less than .01 percent.

TABLE 19. DISTRIBUTION OF FEDERAL TAXABLE INCOME OF INTRASTATE RETURNS  
BY MAJOR INDUSTRY CLASSES AND TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
A. Dollar Amounts in Thousands									
NONTAXABLE RETURNS	-\$103,117	-\$801,173	-\$121,974	-\$ 218,100	-\$51,911	-\$345,030	-\$1,845,338	-\$665,272	-\$4,151,915
TAXABLE RETURNS									
Under \$ 2,000	\$ 53	-\$157,768	\$ 191	\$ 129	\$ 96	\$ 485	\$ 468	\$ 8,980	-\$ 147,366
\$ 2,000 - \$ 10,000	407	501	1,632	853	435	7,244	3,411	19,447	33,930
\$ 10,000 - \$ 25,000	2,094	983	5,815	3,236	2,243	17,456	10,131	19,775	61,733
\$ 25,000 - \$ 50,000	3,604	1,208	11,750	7,750	1,271	25,426	11,571	31,639	94,219
\$ 50,000 - \$ 75,000	7,254	816	11,149	5,338	1,687	20,529	8,232	18,519	73,524
\$ 75,000 - \$100,000	2,462	6,608	7,405	5,496	1,333	15,928	8,544	12,160	59,936
\$100,000 - \$200,000	3,638	2,114	12,461	11,975	4,050	39,778	14,047	16,375	104,438
\$200,000 - \$500,000	4,896	14,529	32,905	49,411	3,463	45,512	33,824	9,397	193,937
\$500,000 and over	1,138	16,920	30,448	6,730,816	5,587	61,181	96,435	25,813	6,934,498
TOTAL TAXABLE	\$ 25,546	-\$147,929	\$113,756	\$6,815,004	\$20,165	\$233,539	\$ 186,663	\$162,105	\$7,408,849
GRAND TOTAL	-\$ 77,571	-\$949,102	-\$ 8,219	\$6,596,903	-\$31,746	-\$111,492	-\$1,658,677	-\$503,167	\$3,256,929
B. Percentage Distribution of Taxable Returns by Income Class									
TAXABLE RETURNS									
Under \$ 2,000	0.21	106.65	0.17	*	0.48	0.21	0.25	5.54	- 1.99
\$ 2,000 - \$ 10,000	1.59	- 0.34	1.43	0.01	2.16	3.10	1.83	12.00	0.46
\$ 10,000 - \$ 25,000	8.20	- 0.66	5.11	0.05	11.12	7.47	5.43	12.20	0.83
\$ 25,000 - \$ 50,000	14.11	- 0.82	10.33	0.11	6.30	10.89	6.20	19.52	1.27
\$ 50,000 - \$ 75,000	28.40	- 0.55	9.80	0.08	8.37	8.79	4.41	11.42	0.99
\$ 75,000 - \$100,000	9.64	- 4.47	6.51	0.08	6.61	6.82	4.58	7.50	0.81
\$100,000 - \$200,000	14.24	- 1.43	10.95	0.18	20.08	17.03	7.53	10.10	1.41
\$200,000 - \$500,000	19.17	- 9.82	28.93	0.73	17.17	19.49	18.12	5.80	2.62
\$500,000 and over	4.45	11.44	26.77	98.76	27.71	26.20	51.66	15.92	93.60
TOTAL TAXABLE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
NONTAXABLE RETURNS	2.48	19.30	2.94	5.25	1.25	8.31	44.45	16.02	100.00
TAXABLE RETURNS									
Under \$ 2,000	- 0.04	107.06	- 0.13	- 0.09	- 0.07	- 0.33	- 0.32	- 6.09	100.00
\$ 2,000 - \$ 10,000	1.20	1.48	4.81	2.51	1.28	21.35	10.05	57.32	100.00
\$ 10,000 - \$ 25,000	3.39	1.59	9.42	5.24	3.63	28.28	16.41	32.03	100.00
\$ 25,000 - \$ 50,000	3.83	1.28	12.47	8.23	1.35	26.99	12.28	33.58	100.00
\$ 50,000 - \$ 75,000	9.87	1.11	15.16	7.26	2.29	27.92	11.20	25.19	100.00
\$ 75,000 - \$100,000	4.11	11.03	12.35	9.17	2.22	26.58	14.26	20.29	100.00
\$100,000 - \$200,000	3.48	2.02	11.93	11.47	3.88	38.09	13.45	15.68	100.00
\$200,000 - \$500,000	2.52	7.49	16.97	25.48	1.79	23.47	17.44	4.85	100.00
\$500,000 and over	0.02	- 0.24	0.44	97.06	0.08	0.88	1.39	0.37	100.00
TOTAL TAXABLE	0.34	- 2.00	1.54	91.98	0.27	3.15	2.52	2.19	100.00
GRAND TOTAL	- 2.38	- 29.14	- 0.25	202.55	- 0.97	- 3.42	- 50.93	- 15.45	100.00

\* Less than .01 percent.

TABLE 20. DISTRIBUTION OF COLORADO TAXABLE INCOME OF INTRASTATE RETURNS  
BY MAJOR INDUSTRY CLASSES AND TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
A. Dollar Amounts in Thousands									
NONTAXABLE RETURNS	-\$80,464	-\$198,521	-\$123,615	-\$157,437	-\$124,855	-\$311,183	-\$1,768,750	-\$409,277	-\$3,174,102
TAXABLE RETURNS									
Under \$ 2,000	\$ 58	\$ 33	\$ 205	\$ 141	\$ 25	\$ 452	\$ 574	\$ 1,058	\$ 2,546
\$ 2,000 - \$ 10,000	375	294	2,284	1,001	485	5,579	3,591	10,321	23,930
\$ 10,000 - \$ 25,000	1,920	923	5,867	3,541	1,472	18,237	10,032	20,371	62,363
\$ 25,000 - \$ 50,000	3,659	1,256	11,736	7,519	1,314	26,248	12,141	32,352	96,225
\$ 50,000 - \$ 75,000	3,873	838	11,336	5,389	1,597	21,721	8,575	18,773	72,102
\$ 75,000 - \$100,000	2,534	1,321	7,871	5,565	1,397	16,325	8,044	12,605	55,662
\$100,000 - \$200,000	3,699	1,329	13,105	12,497	4,044	31,379	10,506	16,173	92,732
\$200,000 - \$500,000	5,243	2,126	13,478	17,215	3,442	32,234	17,119	9,501	100,358
\$500,000 and over	1,169	16,480	31,824	72,662	5,812	62,874	94,496	26,925	312,242
TOTAL TAXABLE	\$22,530	\$ 24,600	\$ 97,706	\$125,530	\$ 19,588	\$215,049	\$ 165,078	\$148,079	\$ 818,160
GRAND TOTAL	-\$57,935	-\$173,921	-\$ 25,909	-\$ 31,907	-\$105,265	-\$ 96,134	-\$1,603,673	-\$261,198	-\$2,355,942
B. Percentage Distribution of Taxable Returns by Income Class									
TAXABLE RETURNS									
Under \$ 2,000	0.26	0.13	0.21	0.11	0.13	0.21	0.35	0.71	0.31
\$ 2,000 - \$ 10,000	1.66	1.20	2.34	0.80	2.48	2.59	2.18	6.97	2.92
\$ 10,000 - \$ 25,000	8.52	3.75	6.00	2.82	7.51	8.48	6.08	13.76	7.62
\$ 25,000 - \$ 50,000	16.24	5.11	12.01	5.99	6.71	12.21	7.35	21.85	11.76
\$ 50,000 - \$ 75,000	17.19	3.41	11.60	4.29	8.15	10.10	5.19	12.68	8.81
\$ 75,000 - \$100,000	11.25	5.37	8.06	4.43	7.13	7.59	4.87	8.51	6.80
\$100,000 - \$200,000	16.42	5.40	13.41	9.96	20.65	14.59	6.36	10.92	11.33
\$200,000 - \$500,000	23.27	8.64	13.79	13.71	17.57	14.99	10.37	6.42	12.27
\$500,000 and over	5.19	66.99	32.57	57.88	29.67	29.24	57.24	18.18	38.16
TOTAL TAXABLE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
NONTAXABLE RETURNS	2.54	6.25	3.89	4.96	3.93	9.80	55.72	12.89	100.00
TAXABLE RETURNS									
Under \$ 2,000	2.28	1.30	8.05	5.54	0.98	17.75	22.55	41.56	100.00
\$ 2,000 - \$ 10,000	1.57	1.23	9.54	4.18	2.03	23.31	15.01	43.13	100.00
\$ 10,000 - \$ 25,000	3.08	1.48	9.41	5.68	2.36	29.24	16.09	32.67	100.00
\$ 25,000 - \$ 50,000	3.80	1.31	12.20	7.81	1.37	27.28	12.62	33.62	100.00
\$ 50,000 - \$ 75,000	5.37	1.16	15.72	7.47	2.21	30.13	11.89	26.04	100.00
\$ 75,000 - \$100,000	4.55	2.37	14.14	10.00	2.51	29.33	14.45	22.65	100.00
\$100,000 - \$200,000	3.99	1.43	14.13	13.48	4.36	33.84	11.33	17.44	100.00
\$200,000 - \$500,000	5.22	2.12	13.43	17.15	3.43	32.12	17.06	9.47	100.00
\$500,000 and over	0.37	5.28	10.19	23.27	1.86	20.14	30.26	8.62	100.00
TOTAL TAXABLE	2.75	3.01	11.94	15.34	2.39	26.28	20.18	18.10	100.00
GRAND TOTAL	2.46	7.38	1.10	1.35	4.47	4.08	68.07	11.09	100.00

TABLE 21. DISTRIBUTION OF NUMBER OF INTERSTATE RETURNS BY  
MAJOR INDUSTRY CLASSES AND TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
A. Number of Returns									
NONTAXABLE RETURNS	40	1,060	720	700	260	840	1,000	600	5,220
TAXABLE RETURNS									
Under \$ 2,000	20	50	90	120	80	190	140	160	850
\$ 2,000 - \$ 10,000	40	80	90	110	20	110	100	280	830
\$ 10,000 - \$ 25,000	12	36	18	138	18	126	60	186	594
\$ 25,000 - \$ 50,000	4	36	10	104	48	126	52	76	456
\$ 50,000 - \$ 75,000	0	11	17	74	13	50	23	74	262
\$ 75,000 - \$100,000	2	8	11	51	12	45	17	30	176
\$100,000 - \$200,000	0	14	11	119	21	101	35	47	348
\$200,000 - \$500,000	5	15	16	121	13	76	36	45	327
\$500,000 and over	3	24	15	164	28	103	45	42	424
TOTAL TAXABLE	86	274	278	1,001	253	927	508	940	4,267
GRAND TOTAL	126	1,333	997	1,701	513	1,767	1,507	1,540	9,484
B. Percentage Distribution by Income Class									
NONTAXABLE RETURNS	31.75	79.52	72.22	41.15	50.68	47.54	66.36	38.96	55.04
TAXABLE RETURNS									
Under \$ 2,000	15.87	3.75	9.03	7.05	15.59	10.75	9.29	10.39	8.96
\$ 2,000 - \$ 10,000	31.75	6.00	9.03	6.47	3.90	6.23	6.64	18.18	8.75
\$ 10,000 - \$ 25,000	9.52	2.70	1.81	8.11	3.51	7.13	3.98	12.08	6.26
\$ 25,000 - \$ 50,000	3.17	2.70	1.00	6.11	9.36	7.13	3.45	4.94	4.81
\$ 50,000 - \$ 75,000	0.00	0.83	1.71	4.35	2.53	2.83	1.53	4.81	2.76
\$ 75,000 - \$100,000	1.59	0.60	1.10	3.00	2.34	2.55	1.13	1.95	1.86
\$100,000 - \$200,000	0.00	1.05	1.10	7.00	4.09	5.72	2.32	3.05	3.67
\$200,000 - \$500,000	3.97	1.13	1.60	7.11	2.53	4.30	2.39	2.92	3.45
\$500,000 and over	2.38	1.80	1.50	9.64	5.46	5.83	2.99	2.73	4.47
TOTAL TAXABLE	68.25	20.56	27.88	58.85	49.32	52.46	33.71	61.04	44.99
GRAND TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
NONTAXABLE RETURNS	0.77	20.31	13.79	13.41	4.98	16.09	19.16	11.49	100.00
TAXABLE RETURNS									
Under \$ 2,000	2.35	5.88	10.59	14.12	9.41	22.35	16.47	18.82	100.00
\$ 2,000 - \$ 10,000	4.82	9.64	10.84	13.25	2.41	13.25	12.05	33.73	100.00
\$ 10,000 - \$ 25,000	2.02	6.06	3.03	23.23	3.03	21.21	10.10	31.31	100.00
\$ 25,000 - \$ 50,000	0.88	7.89	2.19	22.81	10.53	27.63	11.40	16.67	100.00
\$ 50,000 - \$ 75,000	0.00	4.20	6.49	28.24	4.96	19.08	8.78	28.24	100.00
\$ 75,000 - \$100,000	1.14	4.55	6.25	28.98	6.82	25.57	9.66	17.05	100.00
\$100,000 - \$200,000	0.00	4.02	3.16	34.20	6.03	29.02	10.06	13.51	100.00
\$200,000 - \$500,000	1.53	4.59	4.89	37.00	3.98	23.24	11.01	13.76	100.00
\$500,000 and over	0.71	5.66	3.54	38.68	6.60	24.29	10.61	9.91	100.00
TOTAL TAXABLE	2.02	6.42	6.52	23.46	5.93	21.72	11.91	22.03	100.00
GRAND TOTAL	1.33	14.06	10.51	17.94	5.41	18.63	15.89	16.24	100.00

TABLE 22. DISTRIBUTION OF TOTAL ASSETS OF ALL INTERSTATE RETURNS BY  
MAJOR INDUSTRY CLASSES AND TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
A. Dollar Amounts in Millions									
NONTAXABLE RETURNS	\$ 98	\$1,659,713	\$38,582	\$130,998	\$ 35,190	\$ 89,790	\$486,095	\$ 45,123	\$2,485,589
TAXABLE RETURNS									
Under \$ 2,000	\$ 4	\$ 822	\$ 484	\$ 951	\$ 767	\$ 954	\$ 76,871	\$ 772	\$ 81,625
\$ 2,000 - \$ 10,000	80	7,392	6,557	37,385	1,030	1,842	11,226	14,880	80,392
\$ 10,000 - \$ 25,000	36	24	188	4,195	183	7,226	10,131	5,955	27,938
\$ 25,000 - \$ 50,000	3	985	450	7,025	12,917	5,594	3,294	5,196	35,464
\$ 50,000 - \$ 75,000	0	184	57	8,203	553	3,659	30,328	1,349	44,333
\$ 75,000 - \$100,000	7	571	161	23,539	1,540	12,230	1,488	1,332	40,868
\$100,000 - \$200,000	0	1,190	702	44,603	21,753	11,296	4,048	2,472	86,064
\$200,000 - \$500,000	23	163,631	1,689	54,159	10,318	47,153	18,568	10,216	305,757
\$500,000 and over	759	129,202	6,873	505,270	104,988	149,432	97,943	16,420	1,010,887
TOTAL TAXABLE	\$ 912	\$ 304,001	\$17,161	\$685,330	\$154,049	\$239,386	\$253,897	\$ 58,592	\$1,713,328
GRAND TOTAL	\$1,009	\$1,963,715	\$55,743	\$816,328	\$189,240	\$329,174	\$739,991	\$103,714	\$4,198,914
B. Percentage Distribution by Income Class									
NONTAXABLE RETURNS	9.71	84.52	69.21	16.05	18.60	27.28	65.69	43.51	59.20
TAXABLE RETURNS									
Under \$ 2,000	0.40	0.04	0.87	0.12	0.41	0.29	10.39	0.74	1.94
\$ 2,000 - \$ 10,000	7.93	0.38	11.76	4.58	0.54	0.56	1.52	14.35	1.91
\$ 10,000 - \$ 25,000	3.57	*	0.34	0.51	0.10	2.20	1.37	5.74	0.67
\$ 25,000 - \$ 50,000	0.30	0.05	0.81	0.86	6.83	1.70	0.45	5.01	0.84
\$ 50,000 - \$ 75,000	0.00	0.01	0.10	1.00	0.29	1.11	4.10	1.30	1.06
\$ 75,000 - \$100,000	0.69	0.03	0.29	2.88	0.81	3.72	0.20	1.28	0.97
\$100,000 - \$200,000	0.00	0.06	1.26	5.46	11.49	3.43	0.55	2.38	2.05
\$200,000 - \$500,000	2.28	8.33	3.03	6.63	5.45	14.32	2.51	9.85	7.28
\$500,000 and over	75.22	6.58	12.33	61.90	55.48	45.40	13.24	15.83	24.07
TOTAL TAXABLE	90.39	15.48	30.79	83.95	81.40	72.72	34.31	56.49	40.80
GRAND TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
NONTAXABLE RETURNS	*	66.77	1.55	5.27	1.42	3.61	19.56	1.82	100.00
TAXABLE RETURNS									
Under \$ 2,000	*	1.01	0.59	1.17	0.94	1.17	94.18	0.95	100.00
\$ 2,000 - \$ 10,000	0.10	9.19	8.16	46.50	1.28	2.29	13.96	18.51	100.00
\$ 10,000 - \$ 25,000	0.13	0.09	0.67	15.02	0.66	25.86	36.26	21.32	100.00
\$ 25,000 - \$ 50,000	0.01	2.78	1.27	19.81	36.42	15.77	9.29	14.65	100.00
\$ 50,000 - \$ 75,000	0.00	0.42	0.13	18.50	1.25	8.25	68.41	3.04	100.00
\$ 75,000 - \$100,000	0.02	1.40	0.39	57.60	3.77	29.93	3.64	3.26	100.00
\$100,000 - \$200,000	0.00	1.38	0.82	51.83	25.28	13.13	4.70	2.87	100.00
\$200,000 - \$500,000	0.01	53.52	0.55	17.71	3.37	15.42	6.07	3.34	100.00
\$500,000 and over	0.08	12.78	0.68	49.98	10.39	14.78	9.69	1.62	100.00
TOTAL TAXABLE	0.05	17.74	1.00	40.00	8.99	13.97	14.82	3.42	100.00
GRAND TOTAL	0.02	46.77	1.33	19.44	4.51	7.84	17.62	2.47	100.00

\* Less than .01 percent.



TABLE 23. DISTRIBUTION OF FEDERAL TAXABLE INCOME OF INTERSTATE RETURNS BY MAJOR INDUSTRY CLASSES AND TAXABLE INCOME CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
A. Dollar Amounts in Thousands									
NONTAXABLE RETURNS	\$ 26,635	-\$53,510,274	-\$1,942,867	-\$ 5,040,486	-\$3,380,633	-\$ 7,949,087	-\$8,743,402	-\$6,182,011	-\$ 86,722,125
TAXABLE RETURNS									
Under \$ 2,000	\$ 1,215	\$ 4,607	\$ 5,595	\$ 57,480	\$ 94,977	\$ 30,457	\$2,188,954	\$ 304,338	\$ 2,687,623
\$ 2,000 - \$ 10,000	1,867	333,333	1,708,535	1,534,799	62,367	110,279	2,502,212	1,914,575	8,167,967
\$ 10,000 - \$ 25,000	152,018	1,939	32,570	247,384	6,710	414,980	126,242	112,505	1,094,348
\$ 25,000 - \$ 50,000	301	559,091	14,753	329,178	112,440	279,276	33,465	135,583	1,464,087
\$ 50,000 - \$ 75,000	0	12,497	4,786	695,027	22,528	296,786	103,668	190,713	1,326,005
\$ 75,000 - \$100,000	1,014	130,787	18,050	1,113,084	56,983	206,087	30,800	223,828	1,780,633
\$100,000 - \$200,000	0	453,978	70,993	3,294,353	428,176	519,098	194,537	473,976	5,435,111
\$200,000 - \$500,000	2,508	5,250,502	126,079	6,574,642	876,455	1,557,245	508,669	659,476	15,555,576
\$500,000 and over	318,681	4,361,366	323,117	51,847,343	5,857,925	23,752,071	2,386,888	1,993,286	90,840,677
TOTAL TAXABLE	\$477,604	\$11,108,100	\$2,304,478	\$65,693,290	\$7,518,561	\$27,166,279	\$8,075,435	\$6,008,280	\$128,352,027
GRAND TOTAL	\$504,240	-\$42,402,174	\$ 361,611	\$60,652,803	\$4,137,927	\$19,217,193	-\$ 667,965	-\$ 173,731	\$ 41,629,904
B. Percentage Distribution of Taxable Returns by Income Class									
TAXABLE RETURNS									
Under \$ 2,000	0.25	0.04	0.24	0.09	1.26	0.11	27.11	5.07	2.09
\$ 2,000 - \$ 10,000	0.39	3.00	74.14	2.34	0.83	0.41	30.99	31.87	6.36
\$ 10,000 - \$ 25,000	31.83	0.02	1.41	0.38	0.09	1.53	1.56	1.87	0.85
\$ 25,000 - \$ 50,000	0.06	5.03	0.64	0.50	1.50	1.03	0.41	2.26	1.14
\$ 50,000 - \$ 75,000	0.00	0.11	0.21	1.06	0.30	1.09	1.28	3.17	1.03
\$ 75,000 - \$100,000	0.21	1.18	0.78	1.69	0.76	0.76	0.38	3.73	1.39
\$100,000 - \$200,000	0.00	4.09	3.08	5.01	5.69	1.91	2.41	7.89	4.23
\$200,000 - \$500,000	0.53	47.27	5.47	10.01	11.66	5.73	6.30	10.98	12.12
\$500,000 and over	66.72	39.26	14.02	78.92	77.91	87.43	29.56	33.18	70.77
TOTAL TAXABLE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution of Taxable Returns by Industry Class									
NONTAXABLE RETURNS	- 0.03	61.70	2.24	5.81	3.90	9.17	10.08	7.13	100.00
TAXABLE RETURNS									
Under \$ 2,000	0.05	0.17	0.21	2.14	3.53	1.13	81.45	11.32	100.00
\$ 2,000 - \$ 10,000	0.02	4.08	20.92	18.79	0.76	1.35	30.63	23.44	100.00
\$ 10,000 - \$ 25,000	13.89	0.18	2.98	22.61	0.61	37.92	11.54	10.28	100.00
\$ 25,000 - \$ 50,000	0.02	38.19	1.01	22.48	7.68	19.08	2.29	9.26	100.00
\$ 50,000 - \$ 75,000	0.00	0.94	0.36	52.42	1.70	22.38	7.82	14.38	100.00
\$ 75,000 - \$100,000	0.06	7.34	1.01	62.51	3.20	11.57	1.73	12.57	100.00
\$100,000 - \$200,000	0.00	8.35	1.31	60.61	7.88	9.55	3.58	8.72	100.00
\$200,000 - \$500,000	0.02	33.75	0.81	42.27	5.63	10.01	3.27	4.24	100.00
\$500,000 and over	0.35	4.80	0.36	57.08	6.45	26.15	2.63	2.19	100.00
TOTAL TAXABLE	0.37	8.65	1.80	51.18	5.86	21.17	6.29	4.68	100.00
GRAND TOTAL	1.21	-101.86	0.87	145.70	9.94	46.16	- 1.60	- 0.42	100.00

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TABLE 24. DISTRIBUTION OF COLORADO TAXABLE INCOME OF INTERSTATE RETURNS BY MAJOR INDUSTRY CLASSES AND TAXABLE INCOME CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Taxable Income Classes	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance & Real Estate	Services and Not Classified	Total
A. Dollar Amounts in Thousands									
NONTAXABLE RETURNS	-\$4,603	-\$758,546	-\$102,268	-\$161,922	-\$1,205,866	-\$319,967	-\$784,111	-\$ 57,557	-\$3,394,860
TAXABLE RETURNS									
Under \$ 2,000	\$ 13	\$ 19	\$ 56	\$ 107	\$ 43	\$ 175	\$ 77	\$ 123	\$ 613
\$ 2,000 - \$ 10,000	156	307	462	646	108	587	533	1,477	4,276
\$ 10,000 - \$ 25,000	162	516	304	2,340	282	2,187	1,048	3,192	10,031
\$ 25,000 - \$ 50,000	135	1,240	302	3,701	1,766	4,638	1,818	2,972	16,572
\$ 50,000 - \$ 75,000	0	636	1,016	4,410	849	3,029	1,473	4,490	15,903
\$ 75,000 - \$100,000	133	627	883	4,324	1,096	3,958	1,461	2,544	15,026
\$100,000 - \$200,000	0	1,841	1,424	16,758	2,920	14,598	5,031	6,755	49,327
\$200,000 - \$500,000	1,705	4,937	4,718	40,018	4,412	24,678	10,990	13,754	105,212
\$500,000 and over	3,785	44,499	21,905	531,037	500,465	254,582	104,620	66,714	1,527,607
TOTAL TAXABLE	\$6,089	\$ 54,622	\$ 31,070	\$603,341	\$ 511,941	\$308,432	\$127,051	\$102,021	\$1,744,567
GRAND TOTAL	\$1,485	-\$703,924	-\$ 71,197	\$441,420	-\$ 693,924	-\$ 11,554	-\$657,060	\$ 44,464	-\$1,650,290
B. Percentage Distribution of Taxable Returns by Income Class									
TAXABLE RETURNS									
Under \$ 2,000	0.21	0.03	0.18	0.02	0.01	0.06	0.06	0.12	0.04
\$ 2,000 - \$ 10,000	2.56	0.56	1.49	0.11	0.02	0.19	0.42	1.45	0.25
\$ 10,000 - \$ 25,000	2.66	0.94	0.98	0.39	0.06	0.71	0.82	3.13	0.57
\$ 25,000 - \$ 50,000	2.22	2.27	0.97	0.61	0.34	1.50	1.43	2.91	0.95
\$ 50,000 - \$ 75,000	0.00	1.16	3.27	0.73	0.17	0.98	1.16	4.40	0.91
\$ 75,000 - \$100,000	2.18	1.15	2.84	0.72	0.21	1.28	1.15	2.49	0.86
\$100,000 - \$200,000	0.00	3.37	4.58	2.78	0.57	4.73	3.96	6.62	2.83
\$200,000 - \$500,000	28.00	9.04	15.19	6.63	0.86	8.00	8.65	13.48	6.03
\$500,000 and over	62.16	81.47	70.50	88.02	97.76	82.54	82.34	65.39	87.56
TOTAL TAXABLE	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
NONTAXABLE RETURNS	0.14	22.34	3.01	4.77	35.52	9.43	23.10	1.70	100.00
TAXABLE RETURNS									
Under \$ 2,000	2.12	3.10	9.14	17.46	7.01	28.55	12.56	20.07	100.00
\$ 2,000 - \$ 10,000	3.65	7.18	10.80	15.11	2.53	13.73	12.46	34.54	100.00
\$ 10,000 - \$ 25,000	1.61	5.14	3.03	23.33	2.81	21.80	10.45	31.82	100.00
\$ 25,000 - \$ 50,000	0.81	7.48	1.82	22.33	10.66	27.99	10.97	17.93	100.00
\$ 50,000 - \$ 75,000	0.00	4.00	6.39	27.73	5.34	19.05	9.26	28.23	100.00
\$ 75,000 - \$100,000	0.89	4.17	5.88	28.78	7.29	26.34	9.72	16.93	100.00
\$100,000 - \$200,000	0.00	3.73	2.89	33.97	5.92	29.59	10.20	13.69	100.00
\$200,000 - \$500,000	1.62	4.69	4.48	38.04	4.19	23.46	10.45	13.07	100.00
\$500,000 and over	0.25	2.91	1.43	34.76	32.76	16.67	6.85	4.37	100.00
TOTAL TAXABLE	0.35	3.13	1.78	34.58	29.34	17.68	7.28	5.85	100.00
GRAND TOTAL	- 0.09	42.65	4.31	- 26.75	42.05	0.70	39.81	- 2.69	100.00

TABLE 25. DISTRIBUTION OF ALL RETURNS BY TAX CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Colorado Tax Class	All Returns		Intrastate Returns		Interstate Returns	
	Number	Colorado Tax Liability	Number	Colorado Tax Liability	Number	Colorado Tax Liability
A. Dollar Amounts in Thousands						
NONTAXABLE RETURNS	21,760	\$ 0	16,540	\$ 0	5,220	\$ 0
TAXABLE RETURNS						
Under \$ 100	3,830	\$ 158	2,980	\$ 127	850	\$ 31
\$ 100 - \$ 250	2,740	471	2,260	387	480	84
\$ 250 - \$ 500	2,570	939	2,220	810	350	129
\$ 500 - \$ 1,000	3,282	2,381	2,850	2,061	432	321
\$ 1,000 - \$ 1,500	1,968	2,413	1,722	2,115	246	298
\$ 1,500 - \$ 2,500	2,296	4,466	1,924	3,754	372	711
\$ 2,500 - \$ 5,000	2,250	7,935	1,814	6,388	436	1,546
\$ 5,000 - \$10,000	1,019	7,103	674	4,637	345	2,466
\$10,000 - \$25,000	663	10,279	336	5,018	327	5,261
\$25,000 - \$50,000	276	9,666	100	3,430	176	6,236
\$50,000 and over	332	82,326	84	12,182	248	70,144
TOTAL TAXABLE	21,226	\$128,137	16,964	\$40,908	4,262	\$87,229
GRAND TOTAL	42,985	\$128,137	33,503	\$40,908	9,482	\$87,229
B. Percentage Distribution of Taxable Returns						
TAXABLE RETURNS						
Under \$ 100	18.04	0.12	17.57	0.31	19.94	0.04
\$ 100 - \$ 250	12.91	0.37	13.32	0.95	11.26	0.10
\$ 250 - \$ 500	12.11	0.73	13.09	1.98	8.21	0.15
\$ 500 - \$ 1,000	15.46	1.86	16.80	5.04	10.14	0.37
\$ 1,000 - \$ 1,500	9.27	1.88	10.15	5.17	5.77	0.34
\$ 1,500 - \$ 2,500	10.82	3.49	11.34	9.18	8.73	0.82
\$ 2,500 - \$ 5,000	10.60	6.19	10.69	15.62	10.23	1.77
\$ 5,000 - \$10,000	4.80	5.54	3.97	11.33	8.09	2.83
\$10,000 - \$25,000	3.12	8.02	1.98	12.27	7.67	6.03
\$25,000 - \$50,000	1.30	7.54	0.59	8.38	4.13	7.15
\$50,000 and over	1.56	64.25	0.50	29.78	5.82	80.42
TOTAL TAXABLE	100.00	100.00	100.00	100.00	100.00	100.00

Note: Sum of items may not equal totals due to rounding.

TABLE 26. DISTRIBUTION OF ALL RETURNS BY ASSET CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	Number of Returns	Total Corporate Assets	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Nontaxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	10,520	\$ 316	-\$ 3,665	-\$ 371	
\$ 100,000 - \$ 1 Million	5,680	1,901	- 724	- 521	
\$ 1 Million - \$ 10 Million	3,000	10,777	- 2,809	- 1,424	
\$ 10 Million - \$ 100 Million	1,660	52,821	- 9,663	- 1,650	
\$ 100 Million - \$1,000 Million	700	297,400	- 9,881	- 1,957	
\$1,000 Million and over	200	2,387,551	- 64,132	- 646	
TOTAL	21,760	\$2,750,766	-\$90,874	-\$6,569	
B. Taxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	8,481	\$ 309	\$ 6,845	\$ 135	\$ 7
\$ 100,000 - \$ 1 Million	7,852	2,586	1,902	279	14
\$ 1 Million - \$ 10 Million	2,844	9,425	5,562	369	18
\$ 10 Million - \$ 100 Million	1,200	43,909	11,781	474	24
\$ 100 Million - \$1,000 Million	589	214,127	22,139	339	17
\$1,000 Million and over	260	1,487,481	87,533	966	48
TOTAL	21,225	\$1,757,837	\$135,761	\$2,563	\$128
C. Percentage Distribution of Nontaxable Returns					
Under \$ 100,000	48.35	0.01	4.03	5.65	
\$ 100,000 - \$ 1 Million	26.10	0.07	0.80	7.93	
\$ 1 Million - \$ 10 Million	13.79	0.39	3.09	21.68	
\$ 10 Million - \$ 100 Million	7.63	1.92	10.63	25.12	
\$ 100 Million - \$1,000 Million	3.22	10.81	10.87	29.79	
\$1,000 Million and over	0.92	86.80	70.57	9.83	
TOTAL	100.00	100.00	100.00	100.00	
D. Percentage Distribution of Taxable Returns					
Under \$ 100,000	39.96	0.02	5.04	5.27	5.47
\$ 100,000 - \$ 1 Million	36.99	0.15	1.40	10.89	10.94
\$ 1 Million - \$ 10 Million	13.40	0.54	4.10	14.40	14.06
\$ 10 Million - \$ 100 Million	5.65	2.50	8.68	18.49	18.75
\$ 100 Million - \$1,000 Million	2.78	12.18	16.31	13.23	13.28
\$1,000 Million and over	1.22	84.62	64.48	37.69	37.50
TOTAL	100.00	100.00	100.00	100.00	100.00

TABLE 27. DISTRIBUTION OF INTRASTATE RETURNS BY ASSET CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	Number of Returns	Total Corporate Assets	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Nontaxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	10,020	\$ 303	-\$ 663	-\$ 329	
\$ 100,000 - \$ 1 Million	4,780	1,531	- 404	- 437	
\$ 1 Million - \$ 10 Million	1,340	4,674	- 866	- 901	
\$ 10 Million - \$ 100 Million	260	6,193	- 928	- 1,001	
\$ 100 Million - \$1,000 Million	120	42,560	- 149	- 506	
\$1,000 Million and over	20	209,917	- 1,142	*	
TOTAL	16,540	\$265,178	-\$4,152	-\$3,174	
B. Taxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	8,199	\$ 298	\$ 85	\$ 88	\$ 4
\$ 100,000 - \$ 1 Million	7,111	2,263	258	264	13
\$ 1 Million - \$ 10 Million	1,452	3,639	275	270	14
\$ 10 Million - \$ 100 Million	175	5,104	14	173	9
\$ 100 Million - \$1,000 Million	23	8,706	185	16	1
\$1,000 Million and over	5	24,504	6,592	6	*
TOTAL	16,963	\$44,513	\$7,409	\$818	\$41
C. Percentage Distribution of Nontaxable Returns					
Under \$ 100,000	60.58	0.11	15.97	10.37	
\$ 100,000 - \$ 1 Million	28.90	0.58	9.73	13.77	
\$ 1 Million - \$ 10 Million	8.10	1.76	20.86	28.39	
\$ 10 Million - \$ 100 Million	1.57	2.34	22.35	31.54	
\$ 100 Million - \$1,000 Million	0.73	16.05	3.59	15.94	
\$1,000 Million and over	0.12	79.16	27.50	**	
TOTAL	100.00	100.00	100.00	100.00	
D. Percentage Distribution of Taxable Returns					
Under \$ 100,000	48.33	0.67	1.15	10.76	9.76
\$ 100,000 - \$ 1 Million	41.92	5.08	3.48	32.27	31.71
\$ 1 Million - \$ 10 Million	8.56	8.18	3.71	33.01	34.15
\$ 10 Million - \$ 100 Million	1.03	11.47	0.19	21.15	21.95
\$ 100 Million - \$1,000 Million	0.14	19.56	2.50	1.96	2.44
\$1,000 Million and over	0.03	55.05	88.97	0.73	**
TOTAL	100.00	100.00	100.00	100.00	100.00

\* Less than \$500,000

\*\* Less than .01 percent

TABLE 28. DISTRIBUTION OF INTERSTATE RETURNS BY ASSET CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	Number of Returns	Total Corporate Assets	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Nontaxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	500	\$ 13	-\$ 3,002	-\$ 43	
\$ 100,000 - \$ 1 Million	900	370	- 320	- 83	
\$ 1 Million - \$ 10 Million	1,660	6,103	- 1,943	- 523	
\$ 10 Million - \$ 100 Million	1,400	46,628	- 8,735	- 649	
\$ 100 Million - \$1,000 Million	580	254,840	- 9,732	- 1,451	
\$1,000 Million and over	180	2,177,635	- 62,990	- 646	
TOTAL	5,220	\$2,485,588	-\$86,722	-\$3,395	
B. Taxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	283	\$ 12	\$ 6,760	\$ 47	\$ 2
\$ 100,000 - \$ 1 Million	741	324	1,644	15	1
\$ 1 Million - \$ 10 Million	1,392	5,786	5,287	99	5
\$ 10 Million - \$ 100 Million	1,026	38,804	11,767	301	15
\$ 100 Million - \$1,000 Million	566	205,422	21,954	323	16
\$1,000 Million and over	255	1,462,977	80,941	959	48
TOTAL	4,262	\$1,713,324	\$128,352	\$1,745	\$87
C. Percentage Distribution of Nontaxable Returns					
Under \$ 100,000	9.58	**	3.46	1.27	
\$ 100,000 - \$ 1 Million	17.24	0.01	0.37	2.44	
\$ 1 Million - \$ 10 Million	31.80	0.25	2.24	15.41	
\$ 10 Million - \$ 100 Million	26.82	1.88	10.07	19.12	
\$ 100 Million - \$1,000 Million	11.11	10.25	11.22	42.74	
\$1,000 Million and over	3.45	87.61	72.63	19.03	
TOTAL	100.00	100.00	100.00	100.00	
D. Percentage Distribution of Taxable Returns					
Under \$ 100,000	6.64	**	5.27	2.69	2.30
\$ 100,000 - \$ 1 Million	17.39	0.02	1.28	0.86	1.15
\$ 1 Million - \$ 10 Million	32.66	0.34	4.12	5.67	5.75
\$ 10 Million - \$ 100 Million	24.07	2.26	9.17	17.25	17.24
\$ 100 Million - \$1,000 Million	13.28	11.99	17.10	18.51	18.39
\$1,000 Million and over	5.98	85.39	63.06	54.96	55.17
TOTAL	100.00	100.00	100.00	100.00	100.00

\*\* Less than .01 percent

TABLE 29. DISTRIBUTION OF DOMESTIC RETURNS BY ASSET CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	Number of Returns	Total Corporate Assets	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Nontaxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	9,720	\$ 298	-\$ 279	-\$ 241	
\$ 100,000 - \$ 1 Million	4,680	1,490	- 459	- 415	
\$ 1 Million - \$ 10 Million	1,480	4,885	- 1,369	- 1,018	
\$ 10 Million - \$ 100 Million	400	10,579	- 1,183	- 969	
\$ 100 Million - \$1,000 Million	40	22,092	- 933	- 31	
\$1,000 Million and over	20	52,599	- 421	- 581	
TOTAL	16,340	\$91,944	-\$4,645	-\$3,255	
B. Taxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	8,102	\$ 295	\$ 92	\$ 88	\$ 4
\$ 100,000 - \$ 1 Million	7,078	2,274	253	256	13
\$ 1 Million - \$ 10 Million	1,611	4,211	376	285	14
\$ 10 Million - \$ 100 Million	223	5,870	440	205	10
\$ 100 Million - \$1,000 Million	35	13,313	537	64	3
\$1,000 Million and over	17	91,552	2,391	336	19
TOTAL	17,065	\$117,515	\$4,088	\$1,284	\$64
C. Percentage Distribution of Nontaxable Returns					
Under \$ 100,000	59.49	0.32	6.01	7.40	
\$ 100,000 - \$ 1 Million	28.64	1.62	9.88	12.75	
\$ 1 Million - \$ 10 Million	9.06	5.31	29.47	31.27	
\$ 10 Million - \$ 100 Million	2.45	11.51	25.47	29.77	
\$ 100 Million - \$1,000 Million	0.24	24.03	20.09	0.95	
\$1,000 Million and over	0.12	57.21	9.06	17.85	
TOTAL	100.00	100.00	100.00	100.00	
D. Percentage Distribution of Taxable Returns					
Under \$ 100,000	47.48	0.25	2.25	6.85	6.25
\$ 100,000 - \$ 1 Million	41.48	1.94	6.19	19.94	20.31
\$ 1 Million - \$ 10 Million	9.44	3.58	9.20	22.20	21.88
\$ 10 Million - \$ 100 Million	1.31	5.00	10.76	15.97	15.63
\$ 100 Million - \$1,000 Million	0.21	11.33	13.14	4.98	4.69
\$1,000 Million and over	0.10	77.91	58.49	30.06	29.69
TOTAL	100.00	100.00	100.00	100.00	100.00

TABLE 30. DISTRIBUTION OF FOREIGN RETURNS BY ASSET CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	Number of Returns	Total Corporate Assets	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Nontaxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	800	\$ 17	-\$ 3,386	-\$ 130	
\$ 100,000 - \$ 1 Million	1,000	411	- 265	- 106	
\$ 1 Million - \$ 10 Million	1,520	5,891	- 1,439	- 406	
\$ 10 Million - \$ 100 Million	1,260	42,242	- 8,480	- 682	
\$ 100 Million - \$1,000 Million	660	275,308	- 8,948	- 1,926	
\$1,000 Million and over	180	2,334,953	- 63,711	- 65	
TOTAL	5,420	\$2,658,822	-\$86,229	-\$3,314	
B. Taxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	379	\$ 15	\$ 6,753	\$ 47	\$ 2
\$ 100,000 - \$ 1 Million	774	312	1,650	23	1
\$ 1 Million - \$ 10 Million	1,233	5,214	5,186	84	4
\$ 10 Million - \$ 100 Million	978	38,039	11,340	269	13
\$ 100 Million - \$1,000 Million	555	200,814	21,602	275	14
\$1,000 Million and over	243	1,395,928	85,142	580	29
TOTAL	4,160	\$1,640,322	\$131,672	\$1,279	\$64
C. Percentage Distribution of Nontaxable Returns					
Under \$ 100,000	14.76	**	3.93	3.92	
\$ 100,000 - \$ 1 Million	18.45	0.02	0.31	3.20	
\$ 1 Million - \$ 10 Million	28.04	0.22	1.67	12.25	
\$ 10 Million - \$ 100 Million	23.25	1.59	9.83	20.58	
\$ 100 Million - \$1,000 Million	12.18	10.35	10.38	58.12	
\$1,000 Million and over	3.32	87.82	73.89	1.96	
TOTAL	100.00	100.00	100.00	100.00	
D. Percentage Distribution of Taxable Returns					
Under \$ 100,000	9.11	**	5.13	3.67	3.13
\$ 100,000 - \$ 1 Million	18.61	0.02	1.25	1.80	1.56
\$ 1 Million - \$ 10 Million	29.64	0.32	3.94	6.57	6.25
\$ 10 Million - \$ 100 Million	23.51	2.32	8.61	21.03	20.31
\$ 100 Million - \$1,000 Million	13.34	12.24	16.41	21.50	21.88
\$1,000 Million and over	5.84	85.10	64.66	45.35	45.31
TOTAL	100.00	100.00	100.00	100.00	100.00

\*\* Less than .01 percent



TABLE 31. DISTRIBUTION OF NUMBER OF ALL RETURNS BY ASSET  
AND MAJOR INDUSTRY CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance Real Estate	Services and Not Classified	Total
A. Number of Returns									
Under \$ 100,000	253	617	2,278	952	313	3,331	3,178	8,081	19,003
\$ 100,000 - \$ 1 Million	500	566	1,845	1,037	280	3,825	2,280	3,200	13,533
\$ 1 Million - \$ 10 Million	306	554	773	822	275	1,470	995	650	5,845
\$ 10 Million - \$ 100 Million	7	231	220	600	126	601	681	396	2,862
\$ 100 Million - \$1,000 Million	2	159	87	432	99	213	202	97	1,291
\$1,000 Million and over	0	50	1	162	26	84	96	42	461
TOTAL	1,067	2,175	5,203	4,003	1,119	9,523	7,431	12,465	42,986
B. Percentage Distribution by Asset Class									
Under \$ 100,000	23.71	28.37	43.78	23.78	27.97	34.98	42.77	64.83	44.21
\$ 100,000 - \$ 1 Million	46.86	26.02	35.46	25.91	25.02	40.17	30.68	25.67	31.48
\$ 1 Million - \$ 10 Million	28.68	25.47	14.86	20.53	24.58	15.44	13.39	5.21	13.60
\$ 10 Million - \$ 100 Million	0.66	10.62	4.23	14.99	11.26	6.31	9.16	3.18	6.66
\$ 100 Million - \$1,000 Million	0.19	7.31	1.67	10.79	8.85	2.24	2.72	0.78	3.00
\$1,000 Million and over	0.00	2.30	0.02	4.05	2.32	0.88	1.29	0.34	1.07
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
Under \$ 100,000	1.33	3.25	11.99	5.01	1.65	17.53	16.72	42.52	100.00
\$ 100,000 - \$ 1 Million	3.69	4.18	13.63	7.66	2.07	28.26	16.85	23.65	100.00
\$ 1 Million - \$ 10 Million	5.24	9.48	13.22	14.06	4.70	25.15	17.02	11.12	100.00
\$ 10 Million - \$ 100 Million	0.24	8.07	7.69	20.96	4.40	21.00	23.79	13.84	100.00
\$ 100 Million - \$1,000 Million	0.15	12.32	6.74	33.46	7.67	16.50	15.65	7.51	100.00
\$1,000 Million and over	0.00	10.85	0.22	35.14	5.64	18.22	20.82	9.11	100.00
TOTAL	2.48	5.06	12.10	9.31	2.60	22.15	17.29	29.00	100.00

TABLE 32. DISTRIBUTION OF NUMBER OF NONTAXABLE RETURNS BY ASSET  
AND MAJOR INDUSTRY CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance Real Estate	Services and Not Classified	Total
A. Number of Returns									
Under \$ 100,000	120	520	1,500	600	200	2,020	1,680	3,880	10,520
\$ 100,000 - \$ 1 Million	180	380	940	460	80	1,380	1,120	1,140	5,680
\$ 1 Million - \$ 10 Million	180	440	420	400	120	520	660	260	3,000
\$ 10 Million - \$ 100 Million	0	180	180	240	40	320	520	180	1,660
\$ 100 Million - \$1,000 Million	0	120	60	180	80	100	120	40	700
\$1,000 Million and over	0	40	0	40	0	40	60	20	200
TOTAL	480	1,680	3,100	1,920	520	4,380	4,160	5,520	21,760
B. Percentage Distribution by Asset Class									
Under \$ 100,000	25.00	30.95	48.39	31.25	38.46	46.12	40.38	70.29	48.35
\$ 100,000 - \$ 1 Million	37.50	22.62	30.32	23.96	15.38	31.51	26.92	20.65	26.10
\$ 1 Million - \$ 10 Million	37.50	26.19	13.55	20.83	23.08	11.87	15.87	4.71	13.79
\$ 10 Million - \$ 100 Million	0.00	10.71	5.81	12.50	7.69	7.31	12.50	3.26	7.63
\$ 100 Million - \$1,000 Million	0.00	7.14	1.94	9.38	15.38	2.28	2.88	0.72	3.22
\$1,000 Million and over	0.00	2.38	0.00	2.08	0.00	0.91	1.44	0.36	0.92
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
Under \$ 100,000	1.14	4.94	14.26	5.70	1.90	19.20	15.97	36.88	100.00
\$ 100,000 - \$ 1 Million	3.17	6.69	16.55	8.10	1.41	24.30	19.72	20.07	100.00
\$ 1 Million - \$ 10 Million	6.00	14.67	14.00	13.33	4.00	17.33	22.00	8.67	100.00
\$ 10 Million - \$ 100 Million	0.00	10.84	10.84	14.46	2.41	19.28	31.33	10.84	100.00
\$ 100 Million - \$1,000 Million	0.00	17.14	8.57	25.71	11.43	14.29	17.14	5.71	100.00
\$1,000 Million and over	0.00	20.00	0.00	20.00	0.00	20.00	30.00	10.00	100.00
TOTAL	2.21	7.72	14.25	8.82	2.39	20.13	19.12	25.37	100.00

TABLE 33. DISTRIBUTION OF NUMBER OF TAXABLE RETURNS BY ASSET  
AND MAJOR INDUSTRY CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance Real Estate	Services and Not Classified	Total
A. Number of Returns									
Under \$ 100,000	133	97	778	352	113	1,311	1,498	4,201	8,483
\$ 100,000 - \$ 1 Million	320	186	905	577	200	2,445	1,160	2,060	7,853
\$ 1 Million - \$ 10 Million	126	114	353	422	155	950	335	390	2,845
\$ 10 Million - \$ 100 Million	7	51	40	360	86	281	161	216	1,202
\$ 100 Million - \$1,000 Million	2	39	27	252	19	113	82	57	591
\$1,000 Million and over	0	10	1	122	26	44	36	22	261
TOTAL	587	495	2,103	2,083	599	5,143	3,271	6,945	21,226
B. Percentage Distribution by Asset Class									
Under \$ 100,000	22.66	19.60	36.99	16.90	18.86	25.49	45.80	60.49	39.97
\$ 100,000 - \$ 1 Million	54.51	37.58	43.03	27.70	33.39	47.54	35.46	29.66	37.00
\$ 1 Million - \$ 10 Million	21.47	23.03	16.79	20.26	25.88	18.47	10.24	5.62	13.40
\$ 10 Million - \$ 100 Million	1.19	10.30	1.90	17.28	14.36	5.46	4.92	3.11	5.66
\$ 100 Million - \$1,000 Million	0.34	7.88	1.28	12.10	3.17	2.20	2.51	0.82	2.78
\$1,000 Million and over	0.00	2.02	0.05	5.86	4.34	0.86	1.10	0.32	1.23
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
Under \$ 100,000	1.57	1.14	9.17	4.15	1.33	15.45	17.66	49.52	100.00
\$ 100,000 - \$ 1 Million	4.07	2.37	11.52	7.35	2.55	31.13	14.77	26.23	100.00
\$ 1 Million - \$ 10 Million	4.43	4.01	12.41	14.83	5.45	33.39	11.78	13.71	100.00
\$ 10 Million - \$ 100 Million	0.58	4.24	3.33	29.95	7.15	23.38	13.39	17.97	100.00
\$ 100 Million - \$1,000 Million	0.34	6.60	4.57	42.64	3.21	19.12	13.87	9.64	100.00
\$1,000 Million and over	0.00	3.83	0.38	46.74	9.96	16.86	13.79	8.43	100.00
TOTAL	2.77	2.33	9.91	9.81	2.82	24.23	15.41	32.72	100.00

TABLE 34. DISTRIBUTION OF COLORADO TAX LIABILITY OF ALL RETURNS  
 BY ASSET AND MAJOR INDUSTRY CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance Real Estate	Services and Not Classified	Total
A. Dollar Amounts in Thousands									
Under \$ 100,000	\$ 56	\$ 95	\$ 416	\$ 1,337	\$ 55	\$ 747	\$ 1,882	\$ 2,158	\$ 6,746
\$ 100,000 - \$ 1 Million	554	239	1,827	1,333	391	4,045	1,991	3,581	13,961
\$ 1 Million - \$ 10 Million	625	662	1,982	3,734	737	5,760	2,532	2,436	18,468
\$ 10 Million - \$ 100 Million	39	1,076	1,590	8,871	1,450	4,254	4,440	2,001	23,721
\$ 100 Million - \$1,000 Million	157	1,096	533	6,074	261	4,313	3,090	1,429	16,953
\$1,000 Million and over	0	793	91	15,094	23,683	7,055	672	900	48,288
TOTAL	\$1,431	\$3,961	\$6,439	\$36,444	\$26,577	\$26,174	\$14,606	\$12,505	\$128,137
B. Percentage Distribution by Asset Class									
Under \$ 100,000	3.91	2.40	6.46	3.67	0.21	2.85	12.89	17.26	5.26
\$ 100,000 - \$ 1 Million	38.71	6.03	28.37	3.66	1.47	15.45	13.63	28.64	10.90
\$ 1 Million - \$ 10 Million	43.68	16.71	30.78	10.25	2.77	22.01	17.34	19.48	14.41
\$ 10 Million - \$ 100 Million	2.73	27.16	24.69	24.34	5.46	16.25	30.40	16.00	18.51
\$ 100 Million - \$1,000 Million	10.97	27.67	8.28	16.67	0.98	16.48	21.16	11.43	13.23
\$1,000 Million and over	0.00	20.02	1.41	41.42	89.11	26.95	4.60	7.20	37.68
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
Under \$ 100,000	0.83	1.41	6.17	19.82	0.82	11.07	27.90	31.99	100.00
\$ 100,000 - \$ 1 Million	3.97	1.71	13.09	9.55	2.80	28.97	14.26	25.65	100.00
\$ 1 Million - \$ 10 Million	3.38	3.58	10.73	20.22	3.99	31.19	13.71	13.19	100.00
\$ 10 Million - \$ 100 Million	0.16	4.54	6.70	37.40	6.11	17.93	18.72	8.44	100.00
\$ 100 Million - \$1,000 Million	0.93	6.46	3.14	35.83	1.54	25.44	18.23	8.43	100.00
\$1,000 Million and over	0.00	1.64	0.19	31.26	49.05	14.61	1.39	1.86	100.00
TOTAL	1.12	3.09	5.03	28.44	20.74	20.43	11.40	9.76	100.00

TABLE 35. DISTRIBUTION OF NUMBER OF INTRASTATE RETURNS BY ASSET  
AND MAJOR INDUSTRY CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance Real Estate	Services and Not Classified	Total
A. Number of Returns									
Under \$ 100,000	243	476	2,238	897	273	3,240	3,017	7,836	18,220
\$ 100,000 - \$ 1 Million	469	190	1,676	965	251	3,593	1,947	2,801	11,892
\$ 1 Million - \$ 10 Million	224	119	284	331	79	875	655	227	2,794
\$ 10 Million - \$ 100 Million	7	17	7	44	4	47	271	41	438
\$ 100 Million - \$1,000 Million	0	21	2	62	0	2	35	22	144
\$1,000 Million and over	0	20	0	4	0	0	1	0	25
TOTAL	941	842	4,206	2,303	606	7,757	5,924	10,926	33,505
B. Percentage Distribution by Asset Class									
Under \$ 100,000	25.82	56.53	53.21	38.95	45.05	41.77	50.93	71.72	54.38
\$ 100,000 - \$ 1 Million	49.84	22.57	39.85	41.90	41.42	46.32	32.87	25.64	35.49
\$ 1 Million - \$ 10 Million	23.80	14.13	6.75	14.37	13.04	11.28	11.06	2.08	8.34
\$ 10 Million - \$ 100 Million	0.74	2.02	0.17	1.91	0.66	0.61	4.57	0.38	1.31
\$ 100 Million - \$1,000 Million	0.00	2.49	0.05	2.69	0.00	0.03	0.59	0.20	0.43
\$1,000 Million and over	0.00	2.38	0.00	0.17	0.00	0.00	0.02	0.00	0.07
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
Under \$ 100,000	1.33	2.61	12.28	4.92	1.50	17.78	16.56	43.01	100.00
\$ 100,000 - \$ 1 Million	3.94	1.60	14.09	8.11	2.11	30.21	16.37	23.55	100.00
\$ 1 Million - \$ 10 Million	8.02	4.26	10.16	11.85	2.83	31.32	23.44	8.12	100.00
\$ 10 Million - \$ 100 Million	1.60	3.88	1.60	10.05	0.91	10.73	61.87	9.36	100.00
\$ 100 Million - \$1,000 Million	0.00	14.58	1.39	43.06	0.00	1.39	24.31	15.28	100.00
\$1,000 Million and over	0.00	80.00	0.00	16.00	0.00	0.00	4.00	0.00	100.00
TOTAL	2.81	2.51	12.55	6.87	1.81	23.15	17.68	32.61	100.00

TABLE 36. DISTRIBUTION OF COLORADO TAX LIABILITY OF INTRASTATE RETURNS  
BY ASSET AND MAJOR INDUSTRY CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	A. Dollar Amounts in Thousands										Services and Not Classified	Total
	Agriculture	Mining	Construction	Manufacturing	Utilities and Transport.	Wholesale and Retail Trade	Finance Insurance and Real Estate	Services and Not Classified		Total		
Under \$	\$ 56	\$ 77	\$ 416	\$ 405	\$ 55	\$ 704	\$ 640	\$ 2,025	\$ 3,345	\$ 4,378		
\$ 100,000 - \$ 1 Million	530	178	1,792	1,274	319	3,925	1,851	3,345	3,345	13,214		
\$ 1 Million - \$ 10 Million	503	268	1,610	2,354	549	4,597	1,961	1,679	1,679	13,521		
\$ 10 Million - \$ 100 Million	39	686	979	1,958	57	1,286	3,318	344	344	8,667		
\$ 100 Million - \$1,000 Million	0	21	88	40	0	241	409	11	11	810		
\$1,000 Million and over	0	0	0	246	0	0	75	0	0	321		
TOTAL	\$1,126	\$1,230	\$4,885	\$6,277	\$979	\$10,752	\$8,254	\$7,404	\$7,404	\$40,907		
	B. Percentage Distribution by Asset Class											
Under \$	4.97	6.26	8.52	6.45	5.62	6.55	7.75	27.35	45.18	10.70		
\$ 100,000 - \$ 1 Million	47.07	14.47	36.68	20.30	32.58	36.50	22.43	45.18	45.18	32.30		
\$ 1 Million - \$ 10 Million	44.67	21.79	32.96	37.50	56.08	42.75	23.76	22.68	22.68	33.05		
\$ 10 Million - \$ 100 Million	3.46	55.77	20.04	31.19	5.82	11.96	40.20	4.65	4.65	21.19		
\$ 100 Million - \$1,000 Million	0.00	1.71	1.80	0.64	0.00	2.24	4.96	0.15	0.15	1.98		
\$1,000 Million and over	0.00	0.00	0.00	3.92	0.00	0.00	0.91	0.00	0.00	0.78		
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00		
	C. Percentage Distribution by Industry Class											
Under \$	1.28	1.76	9.50	9.25	1.26	16.08	14.62	46.25	25.31	100.00		
\$ 100,000 - \$ 1 Million	4.01	1.35	13.56	9.64	2.41	29.70	14.01	25.31	25.31	100.00		
\$ 1 Million - \$ 10 Million	3.72	1.98	11.91	17.41	4.06	34.00	14.50	12.42	12.42	100.00		
\$ 10 Million - \$ 100 Million	0.45	7.92	11.30	22.59	0.66	14.84	38.28	3.97	3.97	100.00		
\$ 100 Million - \$1,000 Million	0.00	2.59	10.86	4.94	0.00	29.75	50.49	1.36	1.36	100.00		
\$1,000 Million and over	0.00	0.00	0.00	76.64	0.00	0.00	23.36	0.00	0.00	100.00		
TOTAL	2.75	3.01	11.94	15.34	2.39	26.28	20.18	18.10	18.10	100.00		

TABLE 37. DISTRIBUTION OF NUMBER OF INTERSTATE RETURNS BY ASSET  
AND MAJOR INDUSTRY CLASSES  
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance Real Estate	Services and Not Classified	Total
A. Number of Returns									
Under \$ 100,000	10	141	40	55	40	91	161	245	783
\$ 100,000 - \$ 1 Million	31	376	169	72	30	232	333	399	1,642
\$ 1 Million - \$ 10 Million	83	435	489	491	197	595	341	423	3,054
\$ 10 Million - \$ 100 Million	0	214	213	556	122	555	411	356	2,427
\$ 100 Million - \$1,000 Million	2	138	85	370	99	211	167	76	1,148
\$1,000 Million and over	0	30	1	158	26	84	95	42	436
TOTAL	126	1,333	997	1,701	513	1,767	1,507	1,540	9,484
B. Percentage Distribution by Asset Class									
Under \$ 100,000	7.94	10.58	4.01	3.23	7.80	5.15	10.68	15.91	8.26
\$ 100,000 - \$ 1 Million	24.60	28.21	16.95	4.23	5.85	13.13	22.10	25.91	17.31
\$ 1 Million - \$ 10 Million	65.87	32.63	49.05	28.87	38.40	33.67	22.63	27.47	32.20
\$ 10 Million - \$ 100 Million	0.00	16.05	21.36	32.69	23.78	31.41	27.27	23.12	25.59
\$ 100 Million - \$1,000 Million	1.59	10.35	8.53	21.75	19.30	11.94	11.08	4.94	12.10
\$1,000 Million and over	0.00	2.25	0.10	9.29	5.07	4.75	6.30	2.73	4.60
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
Under \$ 100,000	1.28	18.01	5.11	7.02	5.11	11.62	20.56	31.29	100.00
\$ 100,000 - \$ 1 Million	1.89	22.90	10.29	4.38	1.83	14.13	20.28	24.30	100.00
\$ 1 Million - \$ 10 Million	2.72	14.24	16.01	16.08	6.45	19.48	11.17	13.85	100.00
\$ 10 Million - \$ 100 Million	0.00	8.82	8.78	22.91	5.03	22.87	16.93	14.67	100.00
\$ 100 Million - \$1,000 Million	0.17	12.02	7.40	32.23	8.62	18.38	14.55	6.62	100.00
\$1,000 Million and over	0.00	6.88	0.23	36.24	5.96	19.27	21.79	9.63	100.00
TOTAL	1.33	14.06	10.51	17.94	5.41	18.63	15.89	16.24	100.00

TABLE 38. DISTRIBUTION OF COLORADO TAX LIABILITY OF INTERSTATE RETURNS  
 BY ASSET AND MAJOR INDUSTRY CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Asset Class	Agriculture	Mining	Construction	Manufacturing	Transport. and Utilities	Wholesale and Retail Trade	Finance Insurance Real Estate	Services and Not Classified	Total
A. Dollar Amounts in Thousands									
Under \$ 100,000	\$ 0	\$ 18	\$ 0	\$ 932	\$ 0	\$ 43	\$1,243	\$ 132	\$ 2,368
\$ 100,000 - \$ 1 Million	25	61	35	58	72	121	140	236	748
\$ 1 Million - \$ 10 Million	123	394	371	1,381	188	1,163	571	757	4,948
\$ 10 Million - \$ 100 Million	0	390	611	6,913	1,393	2,968	1,122	1,658	15,055
\$ 100 Million - \$1,000 Million	157	1,076	445	6,035	261	4,072	2,680	1,418	16,144
\$1,000 Million and over	0	793	91	14,848	23,683	7,055	597	900	47,967
TOTAL	\$304	\$2,731	\$1,554	\$30,167	\$25,597	\$15,422	\$6,353	\$5,101	\$87,229
B. Percentage Distribution by Asset Class									
Under \$ 100,000	0.00	0.66	0.00	3.09	0.00	0.28	19.57	2.59	2.71
\$ 100,000 - \$ 1 Million	8.22	2.23	2.25	0.19	0.28	0.78	2.20	4.63	0.86
\$ 1 Million - \$ 10 Million	40.46	14.43	23.87	4.58	0.73	7.54	8.99	14.84	5.67
\$ 10 Million - \$ 100 Million	0.00	14.28	39.32	22.92	5.44	19.25	17.66	32.50	17.26
\$ 100 Million - \$1,000 Million	51.64	39.40	28.64	20.01	1.02	26.40	42.18	27.80	18.51
\$1,000 Million and over	0.00	29.04	5.86	49.22	92.52	45.75	9.40	17.64	54.99
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
C. Percentage Distribution by Industry Class									
Under \$ 100,000	0.00	0.76	0.00	39.36	0.00	1.82	52.49	5.57	100.00
\$ 100,000 - \$ 1 Million	3.34	8.16	4.68	7.75	9.63	16.18	18.72	31.55	100.00
\$ 1 Million - \$ 10 Million	2.49	7.96	7.50	27.91	3.80	23.50	11.54	15.30	100.00
\$ 10 Million - \$ 100 Million	0.00	2.59	4.06	45.92	9.25	19.71	7.45	11.01	100.00
\$ 100 Million - \$1,000 Million	0.97	6.67	2.76	37.38	1.62	25.22	16.60	8.78	100.00
\$1,000 Million and over	0.00	1.65	0.19	30.95	49.37	14.71	1.24	1.88	100.00
TOTAL	0.35	3.13	1.78	34.58	29.34	17.68	7.28	5.85	100.00



TABLE 39. DISTRIBUTION OF ALL RETURNS BY INDUSTRY CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Industry Class	Number of Returns			Federal Taxable Income		Colorado Taxable Income		Colorado Tax Liability
	Total	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable	Taxable	
A. Dollar Amounts in Thousands								
Agriculture	1,067	480	587	-\$ 76,482	\$ 503,150	-\$ 85,067	\$ 28,617	\$ 1,431
Mining	2,175	1,680	495	- 54,311,448	10,960,171	- 957,067	79,222	3,961
Construction	5,203	3,100	2,103	- 2,064,841	2,418,233	- 225,883	128,776	6,439
Manufacturing	4,003	1,920	2,083	- 5,258,586	72,508,292	- 319,359	728,871	36,444
Transportation	737	300	437	- 2,474,095	3,309,797	- 35,839	156,472	7,824
Communication and Utilities	382	220	162	- 958,450	4,228,928	- 1,294,881	375,060	18,753
Wholesale Trade	2,095	920	1,175	- 4,817,465	14,780,681	- 403,533	145,650	7,283
Retail Trade	7,429	3,460	3,969	- 3,476,651	12,619,137	- 227,636	377,831	18,892
Finance, Insurance, Real Estate	7,431	4,160	3,271	- 10,588,740	8,262,097	- 2,552,861	292,128	14,606
Lodging	280	160	120	- 264,732	227,117	- 188,925	10,607	530
Services	12,113	5,360	6,753	- 6,582,551	5,933,808	- 277,910	238,374	11,919
Not Classified Elsewhere	73	0	73	0	9,458	0	1,119	56
<b>TOTAL</b>	<b>42,985</b>	<b>21,760</b>	<b>21,225</b>	<b>-\$90,874,040</b>	<b>\$135,760,871</b>	<b>-\$6,568,961</b>	<b>\$2,562,728</b>	<b>\$128,137</b>
B. Percentage Distribution								
Agriculture	2.48	2.21	2.77	0.08	0.37	1.29	1.12	1.12
Mining	5.06	7.72	2.33	59.77	8.07	14.57	3.09	3.09
Construction	12.10	14.25	9.91	2.27	1.78	3.44	5.02	5.03
Manufacturing	9.31	8.82	9.81	5.79	53.41	4.86	28.44	28.44
Transportation	1.71	1.38	2.06	2.72	2.44	0.55	6.11	6.11
Communication and Utilities	0.89	1.01	0.76	1.05	3.11	19.71	14.64	14.64
Wholesale Trade	4.87	4.23	5.54	5.30	10.89	6.14	5.68	5.68
Retail Trade	17.28	15.90	18.70	3.83	9.30	3.47	14.74	14.74
Finance, Insurance, Real Estate	17.29	19.12	15.41	11.65	6.09	38.86	11.40	11.40
Lodging	0.65	0.74	0.57	0.29	0.17	2.88	0.41	0.41
Services	28.18	24.63	31.82	7.24	4.37	4.23	9.30	9.30
Not Classified Elsewhere	0.17	0.00	0.34	0.00	0.01	0.00	0.04	0.04
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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TABLE 40. DISTRIBUTION OF DOMESTIC RETURNS BY INDUSTRY CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Industry Class	Number of Returns			Federal Taxable Income		Colorado Taxable Income		Colorado Tax Liability
	Total	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable	Taxable	
A. Dollar Amounts in Thousands								
Agriculture	916	400	516	-\$ 65,771	\$ 26,241	-\$ 67,242	\$ 21,198	\$ 1,060
Mining	1,182	920	262	- 1,546,880	94,996	- 477,278	31,353	1,568
Construction	4,283	2,460	1,823	- 582,777	109,064	- 193,768	102,591	5,130
Manufacturing	2,438	1,240	1,198	- 176,134	1,406,460	- 163,361	188,974	9,449
Transportation	366	120	246	- 28,842	140,382	- 3,482	51,584	2,579
Communication and Utilities	260	140	120	- 79,449	1,243,226	- 133,826	342,894	17,145
Wholesale Trade	1,496	620	876	- 329,413	200,352	- 271,270	62,317	3,116
Retail Trade	6,093	2,780	3,313	- 194,530	407,579	- 175,981	176,086	8,804
Finance, Insurance, Real Estate	5,621	2,900	2,721	- 1,447,733	273,073	- 1,566,598	146,461	7,323
Lodging	197	100	97	- 1,731	6,282	- 6,282	6,563	328
Services	10,484	4,660	5,824	- 192,178	179,921	- 196,227	153,007	7,651
Not Classified Elsewhere	72	0	72	0	879	0	906	45
<b>TOTAL</b>	<b>33,405</b>	<b>16,340</b>	<b>17,065</b>	<b>-\$4,645,438</b>	<b>\$4,088,455</b>	<b>-\$3,255,314</b>	<b>\$1,283,933</b>	<b>\$64,197</b>
B. Percentage Distribution								
Agriculture	2.74	2.45	3.02	1.42	0.64	2.07	1.65	1.65
Mining	3.54	5.63	1.54	33.30	2.32	14.66	2.44	2.44
Construction	12.82	15.06	10.68	12.55	2.67	5.95	7.99	7.99
Manufacturing	7.30	7.59	7.02	3.79	34.40	5.02	14.72	14.72
Transportation	1.10	0.73	1.44	0.62	3.43	0.11	4.02	4.02
Communication and Utilities	0.78	0.86	0.70	1.71	30.41	4.11	26.71	26.71
Wholesale Trade	4.48	3.79	5.13	7.09	4.90	8.33	4.85	4.85
Retail Trade	18.24	17.01	19.41	4.19	9.97	5.41	13.71	13.71
Finance, Insurance, Real Estate	16.83	17.75	15.94	31.16	6.68	48.12	11.41	11.41
Lodging	0.59	0.61	0.57	0.04	0.15	0.19	0.51	0.51
Services	31.38	28.52	34.13	4.14	4.40	6.03	11.92	11.92
Not Classified Elsewhere	0.22	0.00	0.42	0.00	0.02	0.00	0.07	0.07
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

TABLE 41. DISTRIBUTION OF FOREIGN RETURNS BY INDUSTRY CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Industry Class	Number of Returns		Federal Taxable Income		Colorado Taxable Income		Colorado Tax Liability	
	Total	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable		Taxable
A. Dollar Amounts in Thousands								
Agriculture	151	80	71	-\$ 10,711	\$ 476,909	-\$ 17,825	\$ 7,420	\$ 371
Mining	994	760	234	- 52,764,567	10,865,175	- 479,789	47,869	2,393
Construction	921	640	281	- 1,482,064	2,309,169	- 32,115	26,185	1,309
Manufacturing	1,566	680	886	- 5,082,452	71,101,832	- 155,998	539,898	26,995
Transportation	372	180	192	- 2,445,253	3,169,415	- 32,358	104,888	5,244
Communication and Utilities	122	80	42	- 879,001	2,985,702	- 1,161,055	32,166	1,608
Wholesale Trade	599	300	299	- 4,488,052	14,580,329	- 132,263	83,334	4,167
Retail Trade	1,336	680	656	- 3,282,121	12,211,558	- 51,655	201,745	10,087
Finance, Insurance, Real Estate	1,811	1,260	551	- 9,141,007	7,989,025	- 986,263	145,667	7,283
Lodging	83	60	23	- 263,000	220,835	- 182,643	4,044	202
Services	1,629	700	929	- 6,390,373	5,753,888	- 81,683	85,367	4,268
Not Classified Elsewhere	1	0	1	0	8,580	0	213	11
<b>TOTAL</b>	<b>9,580</b>	<b>5,420</b>	<b>4,160</b>	<b>-\$86,228,602</b>	<b>\$131,672,416</b>	<b>-\$3,313,646</b>	<b>\$1,278,795</b>	<b>\$63,940</b>
B. Percentage Distribution								
Agriculture	1.58	1.48	1.71	0.01	0.36	0.54	0.58	0.58
Mining	10.38	14.02	5.63	61.19	8.25	14.48	3.74	3.74
Construction	9.61	11.81	6.75	1.72	1.75	0.97	2.05	2.05
Manufacturing	16.35	12.55	21.30	5.89	54.00	4.71	42.22	42.22
Transportation	3.88	3.32	4.62	2.84	2.41	0.98	8.20	8.20
Communication and Utilities	1.27	1.48	1.01	1.02	2.27	35.04	2.52	2.51
Wholesale Trade	6.25	5.54	7.19	5.20	11.07	3.99	6.52	6.52
Retail Trade	13.95	12.55	15.77	3.81	9.27	1.56	15.78	15.78
Finance, Insurance, Real Estate	18.90	23.25	13.25	10.60	6.07	29.76	11.39	11.39
Lodging	0.87	1.11	0.55	0.31	0.17	5.51	0.32	0.32
Services	17.00	12.92	22.33	7.41	4.37	2.47	6.68	6.68
Not Classified Elsewhere	0.01	0.00	0.02	0.00	0.01	0.00	0.02	0.02
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

TABLE 42. DISTRIBUTION OF INTRASTATE RETURNS BY INDUSTRY CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Industry Class	Number of Returns			Federal Taxable Income		Colorado Taxable Income		Colorado Tax Liability
	Total	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable	Taxable	
A. Dollar Amounts in Thousands								
Agriculture	941	440	501	-\$ 103,117	\$ 25,546	-\$ 80,464	\$ 22,529	\$ 1,126
Mining	842	620	222	- 801,173	- 147,929	- 198,521	24,600	1,230
Construction	4,206	2,380	1,826	- 121,974	113,755	- 123,615	97,705	4,885
Manufacturing	2,303	1,220	1,083	- 218,100	6,815,003	- 157,437	125,530	6,277
Transportation	334	100	234	- 2,359	10,657	- 2,361	9,748	487
Communication and Utilities	272	160	112	- 49,552	9,508	- 122,493	9,841	492
Wholesale Trade	1,394	560	834	- 105,884	62,576	- 111,955	54,427	2,721
Retail Trade	6,363	2,980	3,383	- 239,146	170,962	- 199,228	160,622	8,031
Finance, Insurance, Real Estate	5,924	3,160	2,764	- 1,845,338	186,661	- 1,768,750	165,077	8,254
Lodging	211	120	91	- 124,210	7,946	- 177,390	7,878	394
Services	10,643	4,800	5,843	- 541,061	153,279	- 231,886	139,295	6,965
Not Classified Elsewhere	72	0	72	0	879	0	906	45
TOTAL	33,503	16,540	16,963	-\$4,151,915	\$7,408,843	-\$3,174,101	\$818,157	\$40,908
B. Percentage Distribution								
Agriculture	2.81	2.66	2.95	2.48	0.34	2.54	2.75	2.75
Mining	2.51	3.75	1.31	19.30	- 2.00	6.25	3.01	3.01
Construction	12.55	14.39	10.76	2.94	1.54	3.89	11.94	11.94
Manufacturing	6.87	7.38	6.38	5.25	91.98	4.96	15.34	15.34
Transportation	1.00	0.60	1.38	0.06	0.14	0.07	1.19	1.19
Communication and Utilities	0.81	0.97	0.66	1.19	0.13	3.86	1.20	1.20
Wholesale Trade	4.16	3.39	4.92	2.55	0.84	3.53	6.65	6.65
Retail Trade	18.99	18.02	19.94	5.76	2.31	6.28	19.63	19.63
Finance, Insurance, Real Estate	17.68	19.11	16.29	44.45	2.52	55.72	20.18	20.18
Lodging	0.63	0.73	0.54	2.99	0.11	5.59	0.96	0.96
Services	31.77	29.02	34.45	13.03	2.07	7.31	17.03	17.03
Not Classified Elsewhere	0.21	0.00	0.42	0.00	0.01	0.00	0.11	0.11
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

TABLE 43. DISTRIBUTION OF INTERSTATE RETURNS BY INDUSTRY CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Industry Class	Number of Returns		Federal Taxable Income		Colorado Taxable Income		Colorado Tax Liability	
	Total	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable		Taxable
A. Dollar Amounts in Thousands								
Agriculture	126	40	86	\$ 26,635	\$ 477,604	-\$ 4,603	\$ 6,089	\$ 304
Mining	1,333	1,060	273	- 53,510,274	11,108,100	- 758,546	54,622	2,730
Construction	997	720	277	- 1,942,867	2,304,478	- 102,268	31,071	1,554
Manufacturing	1,701	700	1,001	- 5,040,486	65,693,289	- 161,922	603,342	30,167
Transportation	403	200	203	- 2,471,736	3,299,140	- 33,478	146,723	7,336
Communication and Utilities	110	60	50	- 908,898	4,219,420	- 1,172,388	365,219	18,261
Wholesale Trade	701	360	341	- 4,711,582	14,718,105	- 291,578	91,224	4,561
Retail Trade	1,066	480	586	- 3,237,506	12,448,175	- 28,409	217,209	10,860
Finance, Insurance, Real Estate	1,507	1,000	507	- 8,743,402	8,075,436	- 784,111	127,051	6,353
Lodging	69	40	29	- 140,522	219,171	- 11,534	2,729	136
Services	1,470	560	910	- 6,041,489	5,780,529	- 46,023	99,080	4,954
Not Classified Elsewhere	1	0	1	0	8,580	0	213	11
TOTAL	9,482	5,220	4,262	-\$86,722,126	\$128,352,028	-\$3,394,860	\$1,744,571	\$87,229
B. Percentage Distribution								
Agriculture	1.33	0.77	2.02	- 0.03	0.37	0.14	0.35	0.35
Mining	14.06	20.31	6.41	61.70	8.65	22.34	3.13	3.13
Construction	10.51	13.79	6.50	2.24	1.80	3.01	1.78	1.78
Manufacturing	17.94	13.41	23.49	5.81	51.18	4.77	34.58	34.58
Transportation	4.25	3.83	4.76	2.85	2.57	0.99	8.41	8.41
Communication and Utilities	1.16	1.15	1.17	1.05	3.29	34.53	20.93	20.93
Wholesale Trade	7.39	6.90	8.00	5.43	11.47	8.59	5.23	5.23
Retail Trade	11.24	9.20	13.75	3.73	9.70	0.84	12.45	12.45
Finance, Insurance, Real Estate	15.89	19.16	11.90	10.08	6.29	23.10	7.28	7.28
Lodging	0.73	0.77	0.68	0.16	0.17	0.34	0.16	0.16
Services	15.50	10.73	21.35	6.97	4.50	1.36	5.68	5.68
Not Classified Elsewhere	0.01	0.00	0.02	0.00	0.01	0.00	0.01	0.01
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

TABLE 44. DISTRIBUTION OF INTERSTATE RETURNS USING TWO-FACTOR FORMULA BY INDUSTRY CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Industry Class	Number of Returns		Federal Taxable Income		Colorado Taxable Income		Colorado Tax Liability	
	Total	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable		Taxable
A. Dollar Amounts in Thousands								
Agriculture	72	20	52	-\$ 2,725	\$ 155,032	-\$ 4,603	\$ 1,098	\$ 55
Mining	607	480	127	- 51,366,895	8,243,190	- 337,179	26,491	1,325
Construction	551	400	151	- 610,919	130,381	- 23,061	15,704	785
Manufacturing	451	160	291	- 3,009,272	13,964,864	- 90,545	299,594	14,980
Transportation	179	100	79	- 39,475	1,504,782	- 2,195	71,380	3,569
Communication and Utilities	55	40	15	- 870,830	1,118,760	- 1,152,885	345,209	17,260
Wholesale Trade	302	160	142	- 3,115,052	5,464,065	- 232,546	32,099	1,605
Retail Trade	427	200	227	- 1,306,187	4,181,869	- 20,850	71,578	3,579
Finance, Insurance, Real Estate	721	460	261	- 872,034	1,503,506	- 137,165	37,253	1,863
Lodging	1	0	1	0	17,116	0	546	27
Services	728	280	448	- 238,418	1,342,129	- 13,130	36,081	1,804
Not Classified Elsewhere	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>4,092</b>	<b>2,300</b>	<b>1,792</b>	<b>-\$61,431,807</b>	<b>\$37,625,693</b>	<b>-\$2,014,160</b>	<b>\$937,033</b>	<b>\$46,852</b>
B. Percentage Distribution								
Agriculture	1.76	0.87	2.90	**	0.41	0.23	0.12	0.12
Mining	14.83	20.87	7.09	83.62	21.91	16.74	2.83	2.83
Construction	13.47	17.39	8.43	0.99	0.35	1.14	1.68	1.68
Manufacturing	11.02	6.96	16.24	4.90	37.12	4.50	31.97	31.97
Transportation	4.37	4.35	4.41	0.06	4.00	0.11	7.62	7.62
Communication and Utilities	1.34	1.74	0.84	1.42	2.97	57.24	36.84	36.84
Wholesale Trade	7.38	6.96	7.92	5.07	14.52	11.55	3.43	3.43
Retail Trade	10.43	8.70	12.67	2.13	11.11	1.04	7.64	7.64
Finance, Insurance, Real Estate	17.62	20.00	14.56	1.42	4.00	6.81	3.98	3.98
Lodging	0.02	0.00	0.06	0.00	0.05	0.00	0.06	0.06
Services	17.79	12.17	25.00	0.39	3.57	0.65	3.85	3.85
Not Classified Elsewhere	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

\*\* Less than .01 percent

TABLE 45. DISTRIBUTION OF INTERSTATE RETURNS USING THREE-FACTOR FORMULA BY INDUSTRY CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Industry Class	Number of Returns			Federal Taxable Income		Colorado Taxable Income		Colorado Tax Liability
	Total	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable	Taxable	
A. Dollar Amounts in Thousands								
Agriculture	54	20	34	\$ 29,360	\$ 322,572	\$ 0	\$ 4,991	\$ 250
Mining	685	540	145	- 2,100,028	2,524,189	- 417,354	26,082	1,304
Construction	444	320	124	- 1,331,948	2,165,820	- 79,208	13,729	686
Manufacturing	1,234	540	694	- 2,031,214	42,512,239	- 71,377	242,666	12,133
Transportation	161	60	101	31,480	1,106,999	- 2,277	16,539	827
Communication and Utilities	54	20	34	- 38,068	1,534,184	- 19,503	12,889	644
Wholesale Trade	396	200	196	- 1,596,530	5,891,603	- 59,031	49,940	2,497
Retail Trade	635	280	355	- 1,931,319	8,156,858	- 7,558	142,801	7,140
Finance, Insurance, Real Estate	765	520	245	- 7,869,882	6,561,256	- 646,838	86,093	4,305
Lodging	67	40	27	- 140,522	105,762	- 11,534	1,727	86
Services	732	280	452	- 5,803,072	4,438,285	- 32,894	62,916	3,146
Not Classified Elsewhere	1	0	1	0	8,580	0	213	11
<b>TOTAL</b>	<b>5,226</b>	<b>2,820</b>	<b>2,406</b>	<b>-\$22,781,742</b>	<b>\$75,328,347</b>	<b>-\$1,347,575</b>	<b>\$660,586</b>	<b>\$33,029</b>
B. Percentage Distribution								
Agriculture	1.03	0.71	1.41	- 0.13	0.43	0.00	0.76	0.76
Mining	13.11	19.15	6.03	9.22	3.35	30.97	3.95	3.95
Construction	8.50	11.35	5.15	5.85	2.88	5.88	2.08	2.08
Manufacturing	23.61	19.15	28.84	8.92	56.44	5.30	36.73	36.73
Transportation	3.08	2.13	4.20	- 0.14	1.47	0.17	2.50	2.50
Communication and Utilities	1.03	0.71	1.41	0.17	2.04	1.45	1.95	1.95
Wholesale Trade	7.58	7.09	8.15	7.01	7.82	4.38	7.56	7.56
Retail Trade	12.15	9.93	14.75	8.48	10.83	0.56	21.62	21.62
Finance, Insurance, Real Estate	14.64	18.44	10.18	34.54	8.71	48.00	13.03	13.03
Lodging	1.28	1.42	1.12	0.62	0.14	0.86	0.26	0.26
Services	14.01	9.93	18.79	25.47	5.89	2.44	9.52	9.52
Not Classified Elsewhere	0.02	0.00	0.04	0.00	0.01	0.00	0.03	0.03
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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TABLE 46. DISTRIBUTION OF INTERSTATE RETURNS USING SPECIAL APPOINTMENT METHODS BY INDUSTRY CLASSES  
 COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1986

Industry Class	Number of Returns		Federal Taxable Income		Colorado Taxable Income		Colorado Tax Liability	
	Total	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable	Taxable	Liability
Agriculture	0	0	0	\$ 0	0	\$ 0	0	\$ 0
Mining	41	40	1	43,352	340,722	- 4,012	2,050	102
Construction	2	0	2	0	8,278	0	1,638	82
Manufacturing	16	0	16	0	9,216,185	0	61,081	3,054
Transportation	64	40	24	- 2,463,740	687,359	- 29,005	58,805	2,940
Communication and Utilities	2	0	2	0	1,566,476	0	7,121	356
Wholesale Trade	3	0	3	0	3,362,437	0	9,185	459
Retail Trade	5	0	5	0	109,447	0	2,830	141
Finance, Insurance, Real Estate	22	20	2	1,485	10,675	- 108	3,704	185
Lodging	1	0	1	0	96,294	0	455	23
Services	10	0	10	0	116	0	82	4
Not Classified Elsewhere	0	0	0	0	0	0	0	0
TOTAL	164	100	64	-\$2,508,577	\$15,397,988	-\$33,125	\$146,952	\$7,348

  

A. Dollar Amounts in Thousands		B. Percentage Distribution	
Number of Returns	Federal Taxable Income	Number of Returns	Federal Taxable Income
Nontaxable	Taxable	Nontaxable	Taxable
0.00	0.00	0.00	0.00
40.00	2.21	1.56	2.21
0.00	0.05	3.13	0.05
0.00	59.85	25.00	59.85
40.00	4.46	37.50	4.46
0.00	10.17	3.13	10.17
0.00	21.84	4.69	21.84
0.00	0.71	7.81	0.71
20.00	0.07	3.13	0.07
0.00	0.63	1.56	0.63
0.00	**	15.63	**
0.00	0.00	0.00	0.00
100.00	100.00	100.00	100.00

\*\* Less than .01 percent



## APPENDIX A

### SUMMARY OF PROVISIONS OF THE COLORADO CORPORATE INCOME TAX

The Colorado corporate income tax is the result of the application of the corporate tax rates to Colorado net corporate income. Colorado net corporate income is the federal taxable income plus or minus certain modifications and, in the case of a corporation doing interstate business, after apportionment and allocation under provisions of either the Colorado Income Tax Act <sup>1/</sup> or the Multistate Tax Compact <sup>2/</sup>.

#### Filing Requirements

Every corporation, including Subchapter S corporations, doing business in Colorado or deriving income from Colorado sources is liable for filing corporation income tax returns with Colorado. Corporations which are exempt from filing federal income tax returns are also exempt from filing Colorado income tax returns. Insurance companies which are subject to the tax imposed on gross premiums <sup>3/</sup> are also exempt from the Colorado income tax.

#### Accounting Periods and Method

The corporation's accounting periods and method of reporting for Colorado income tax purposes must be the same as for federal income tax purposes.

#### Modifications of Federal Taxable Income

There are several modifications which increase federal taxable income for the purpose of computing state corporate income taxes. These include (1) the addition of municipal bond interest which is not specifically exempt from Colorado tax, (2) any federal net operating loss deduction claimed in computing federal taxable income, (3) the amount of any Colorado income tax

deducted, (4) depreciation claimed with respect to alternative energy devices if the cost of such devices is being claimed as a modification decreasing federal taxable income, and (5) amounts claimed for the pollution control property tax credit.

Modifications decreasing federal taxable income are (1) federal bond interest, (2) Colorado income tax refunds, (3) any amount included in federal taxable income by reason of the gross-up provisions of Section 78 of the Internal Revenue Code, (4) the cost of alternate energy devices, (5) any salary or wage expense not allowed as a deduction on the federal return per Section 280C of the Internal Revenue Code (relating to the federal new jobs credit), (6) the federal work incentive credit and the federal targeted jobs credit, (7) amounts not deducted in determining federal taxable income for free or subsidized ride sharing or mass transit arrangements, and (8) other miscellaneous differences such as percentage depletion on oil shale.

#### Modified Federal Taxable Income

After federal taxable income has been adjusted by the above modifications, the resulting amount is classified as "modified federal taxable income." The "modified federal taxable income" is the Colorado taxable income for those intrastate corporations not apportioning income, and it becomes the base for the apportionment of income by interstate corporations.

#### Apportionment of Income

Corporations doing business in more than one state may elect each year to apportion income either under the Colorado Income Tax Act or the Multistate Compact. Other apportionment methods are allowed with the approval of the executive director of the Revenue Department. For the purpose of apportioning income, "doing business" in a state is defined for Colorado income tax

purposes as having income arising from the activity of one or more employees located in that state or arising from the fact that real or tangible personal property is located in that state for business purposes. This definition applies equally in determining when a Colorado corporation is doing business outside of Colorado or when a foreign corporation is doing business in Colorado. The multistate compact provided that a corporation is deemed to be doing business in another state if that state has the authority to subject the corporation to an income tax or equivalent tax. These definitions of "doing business" in a state have been somewhat restricted by federal law <sup>4/</sup>.

A 1980 court case <sup>5/</sup> held that the Colorado corporate income statutes provide for the distribution and allocation of income and deductions by use of a combined report in order to ascertain the income attributable to an in-state business activity of the corporation involved in a unitary business operation, (i.e., when that portion of the business operation within Colorado is dependent upon or contributes to the operation of the business outside the state).

Effective January 1, 1986 the application of the unitary method will change <sup>6/</sup> whereby the executive director shall not require the inclusion of the income of any corporation which conducts business outside the United States if 80% or more of the corporation's property and payroll are assigned to locations outside the U.S. Dividends which are received from a corporation which would be includible in a combined report shall be excluded from taxable income. Foreign source income shall be considered if the corporation elects to claim foreign taxes as a deduction. If, for federal tax purposes, the taxpayer elects to claim foreign taxes as a credit, foreign source income

shall be considered subject to a reduction in foreign income proportionate to the ratio of foreign taxes paid to the U.S. tax at 46% on that same income.

In the case of an affiliated group of corporations, the executive director may require a combined report for those members of an affiliated group which meet any three of the following conditions for the tax year and two preceding tax years.

- 1) At least 50% of the gross operating receipts constitute inter-company sales among other corporations in the group or at least 50% of the operating expenditures of one corporation involve purchases or leases from another corporation in the group.
- 2) At least 50% of 5 or more key services (public relations, accounting, legal, personnel, etc.) are provided by corporations in the group.
- 3) At least 20% of the long term debt is owed to another corporation in the group.
- 4) A corporation uses to a substantial extent, the patents, trademarks, proprietary materials, etc. owned by another corporation in the group.
- 5) At least 50% of the members of the board of directors are members of the board or officers of another corporation in the group.
- 6) At least 25% of the highest ranked officers are members of the board or officers of another corporation in the group.
- 7) Also provided for is the exclusion of intercompany transactions among affiliated corporations from the numerator and denominator of the apportionment factor and defines the numerator to be the sum of the revenue, property and payroll factors of those affiliated corporations subject to Colorado tax.

## Apportionment Under the Colorado Income Tax Act

This method of apportioning income provides for a two-factor formula: a revenue factor and a property factor. The modified federal taxable income subject to apportionment is multiplied by the average of the revenue factor and the property factor.

Revenue Factor. The revenue or sales factor is a fraction whose numerator consists of the total gross receipts assignable to Colorado and the denominator is the entire gross receipts from all sources. The gross receipts assignable to Colorado consists of sales of goods, merchandise or property which are ultimately delivered in Colorado. Included as Colorado revenue are rents and royalties from real and tangible personal property located in Colorado, revenue from services rendered in Colorado, and gross proceeds from the sale of real and tangible personal property located in Colorado. Also included, if the corporation's commercial domicile is in Colorado, are dividend income, interest income, gains from the sale of intangible personal property, and patent and copyright royalties if the accounting procedures do not reflect the state of utilization of patent and copyright royalties.

Property Factor. The property factor is a fraction in which the numerator is the average value of the corporation's real and tangible personal property owned or rented in Colorado and the denominator is the average value of all the corporation's real and tangible personal property owned or rented. Property value is the average of the amounts at the beginning of the taxable year and the ending of the taxable year. Corporations may elect to value all property owned by the corporation at cost or at its adjusted basis for federal income tax purposes. Real property rented by the corporation is valued at eight times the net annual rent and tangible personal property is valued at

three times the net annual rent. Net annual rent is the annual rent paid by the corporation less any annual rent received by the corporation from subrentals.

#### ~~Apportionment Under the~~ Multistate Compact

This method of apportioning income provides for a three-factor formula: a revenue factor, a property factor, and a payroll factor. Public utilities and finance companies are not permitted to apportion income under provisions of the multistate compact. The modified federal taxable income subject to apportionment is multiplied by the average of the sum of the revenue, property and payroll factors to determine the total income apportioned to Colorado. Income which is directly allocated to Colorado is added to the income apportioned to Colorado to derive the Colorado taxable income.

Business and Nonbusiness Income. In order to determine the Colorado taxable income under the multistate compact, the various sources of income must be classified as either business or nonbusiness. Business income is defined as income arising from transactions and activities in the the regular course of the corporation's trade or business. Nonbusiness income is all income other than business income (eg, dividends, rents and royalties).

Allocation of Income. Only that income which is classified as nonbusiness income by the multistate compact is subject to allocation. The directly allocated income in the form of interest and dividends less directly or indirectly related expenses are allocated to that state where the principal place of business of the corporation is located. The nonbusiness income in the form of net rents, royalties and capital gains are allocated to the state where such property is located. Nonbusiness income from patents and copyrights are allocated to the state where utilized or, if accounting

procedures do not reflect the state of utilization, to the state in which the corporation's commercial domicile is located.

Modified Federal Taxable Income Subject to Apportionment. All nonbusiness income less related expenses is subtracted from the modified federal taxable income if the corporation qualifies and elects to apportion income under the multistate compact. The result is the modified federal taxable income subject to apportionment.

Revenue Factor. The revenue factor is the same as under the two-factor formula except that the definition of sales varies somewhat. Sales are defined as all gross receipts of the corporation not directly allocated. Sales of tangible personal property are Colorado sales if the property is delivered or shipped to a purchaser within Colorado other than the U.S. government regardless of F.O.B. point, or other condition of sale, or the property is shipped from Colorado to the U.S. government, or if the corporation is not taxable in the state of the purchaser. Sales other than tangible personal property are Colorado sales if the income producing activity is performed in Colorado or if a greater proportion of the income producing activity is performed in Colorado based on costs of performance.

Property Factor. The property factor is the same as under the two-factor formula, except that rented tangible personal property is valued at eight times the net annual rent, and owned property must be valued at cost.

Payroll Factor. The payroll factor is a fraction, the numerator of which is the total compensation paid in Colorado during the tax period by the corporation and the denominator is the total compensation paid everywhere during the tax period. Compensation means wages, salaries, commissions and any other form or remuneration paid to employees for personal services.

Compensation is Colorado compensation if the individual's service is performed entirely within Colorado or if the service outside Colorado is incidental to that performed in this state and (1) the base of operations or control is in Colorado, or (2) the base of operation or control is not in any particular state but the individual's residence is in Colorado.

#### Other Apportionment Methods

Multistate Compact Option. If a corporation's activities in Colorado consist of selling and the corporation neither owns nor rents real or tangible personal property in Colorado, and if the gross sales in Colorado during the taxable year are \$100,000 or less, the corporation may elect to pay a Colorado tax computed on gross sales. The tax rate is 1/2 of 1% of the gross receipts from Colorado sales.

Special Methods. Where the allocation provided by the Colorado income tax act or the multistate compact does not clearly reflect Colorado income or is not realistic as compared to the net income of the corporation as a whole, the corporation, with approval of the executive director of the revenue department, may adopt some other method.

#### Colorado Taxable Income

The Colorado taxable income is that amount computed after adjusting for tax law modifications and allocation and apportionment methods if applicable. This is the amount which is subject to the income tax unless a Colorado net operating loss deduction is claimed.

The Colorado net operating loss deduction is computed in the same manner as the federal net operating loss deduction except that in the case of a corporation apportioning income, it is that part of the federal net operating loss, as modified, from Colorado sources. The Colorado net operating loss may



be carried forward for the same number of years as a federal loss <sup>7/</sup>. The Colorado taxable income is reduced by any Colorado net operating loss deduction before the Colorado tax is computed.

Rates of Tax

With the exception of corporations eligible and electing to file under the Multistate Compact option (see Other Apportionment Methods, Multistate Compact Option on preceding page), every group, person or organization considered to be or taxed as a corporation for federal income tax purposes shall be a corporation for Colorado income tax purposes. A tax is levied for each taxable year on each corporation doing business in Colorado on its net income from Colorado sources at rates as specified in the following tables.

(a) For taxable years beginning on or after January 1, 1981 but before January 1, 1982 the tax rate was 5% subject to the following reduction:

<u>Taxable Income</u>		<u>Statutory Reduction</u>
<u>Over</u>	<u>But Not Over</u>	
\$ 0	\$25,000	1%
\$25,000	\$50,000	\$250 plus 1/2% of excess over \$25,000
\$50,000		\$375

The tax rate and reduction translates into tax rates as follows:

<u>Taxable Income</u>		<u>Tax</u>
<u>Over</u>	<u>But Not Over</u>	
\$ 0	\$ 25,000	4%
\$25,000	\$ 50,000	\$1,000 plus 4 1/2% of excess over \$25,000
\$50,000		\$2,125 plus 5% of excess over \$50,000

(b) For taxable years beginning on or after January 1, 1982 but before January 1, 1983 the tax rate was 5% subject to the following reduction:

<u>Taxable Income</u>		<u>Statutory Reduction</u>
Over	But Not Over	
\$ 0	\$ 25,000	1%
\$25,000	\$ 75,000	\$250 plus 1/2% of excess over \$25,000
\$75,000		\$500

The tax rate and reduction translates into tax rates as follows:

<u>Taxable Income</u>		<u>Tax</u>
Over	But Not Over	
\$ 0	\$ 25,000	4%
\$25,000	\$ 75,000	\$1,000 plus 4 1/2% of excess over \$25,000
\$75,000		\$3,250 plus 5% of excess over \$75,000

(c) For taxable years beginning on or after January 1, 1983 but before July 1, 1986 the rate was 5%.

(d) For taxable years beginning on or after January 1, 1986 but before July 1, 1987 the rate will be 6% subject to the following reduction:

<u>Taxable Income</u>		<u>Statutory Reduction</u>
Over	But Not Over	
\$ 0	\$ 50,000	.75%
\$ 50,000	\$200,000	\$375 plus .5% of excess over \$50,000
\$200,000		\$1,125

The tax rate and reduction translates into tax rates as follows:

<u>Taxable Income</u>		<u>Tax</u>
Over	But Not Over	
\$ 0	\$ 50,000	5.25%
\$ 50,000	\$200,000	\$2,625 plus 5.5% of excess over \$50,000
\$200,000		\$10,875 plus 6% of excess over \$200,000

Only one application of the rate reduction is allowed for a taxable year in the case of a controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code filing separate Colorado income tax returns. The reduction is to be allocated at the election of the group.

Example: Assume the Colorado net incomes of the ABC controlled corporate group for 1987 are as follows:

A Corporation	\$150,000
B Corporation	\$ 50,000
C Corporation	(\$ 90,000)(loss)

The total Colorado net incomes (excluding net losses) of the group is \$200,000 and the net reduction in tax would be \$2,375. The \$2,375 can be claimed by either corporation A or B or divided between them as they elect.

#### Tax Credits

The tax credits provide a direct offset against tax liability. These are a pollution control property tax credit, a new business facilities credit, an inventory property tax credit, an impact assistance credit, a crop-livestock credit and a trash hauling certificate credit.

#### Pollution Control Property Tax Credit

The pollution control property tax credit was 30% of the amount of property taxes paid on pollution control property certified as such by the Colorado Department of Health. The credit also applies to payments in lieu of taxes paid in Colorado. The amount of the credit which may be claimed against Colorado income tax is limited to the income tax liability for the tax year reduced by any new business facility credit claimed. The pollution control property tax credit applied to tax years beginning before January 1, 1983 and may be carried forward to the five succeeding tax years.

### New Business Facilities Credit

If the new business facility is located in a county with more than 50,000 population, the credit is \$50 for each new business facility employee and \$50 for each \$100,000 of new business facility investment. If the new business facility is located in a county with less than 50,000 population, the credit amounts become \$100 instead of \$50. The total credit is limited to 50% of the tax due on new business facility income.

An expanded business may qualify as a new business facility if the expansion exceeds \$1 million or if the expansion exceeds 100% of its investment in the original facility. To be eligible for the credit, the facility must be acquired on or after July 1, 1978 and prior to December 31, 1983 and may be carried forward for each of the nine succeeding taxable years.

Any taxpayer who establishes a new business facility located in an enterprise zone established under the provisions of 39-30-103 C.R.S. for at least one year shall be allowed, for the first full income tax year while located in such an enterprise zone, a credit or refund against the Colorado income tax of five hundred dollars for each new business facility employee who is working within the zone. This credit shall be in lieu of any other new business facility credit.

### Inventory Property Tax Credit

For taxable years beginning on or after January 1, 1979, taxpayers are allowed a refundable credit in an amount equivalent to a percentage of the general property tax paid to a political subdivision of Colorado on freeport merchandise, stocks of merchandise and livestock. The percentage of property tax allowed as a credit is 20% for 1979, 40% for 1980, 60% for 1981, 80% for 1982 and 100% for 1983. As a result of a 1982 Constitutional amendment,

inventories and livestock will not be assessed in 1983 and years thereafter for property tax purposes.

#### Investment Tax Credit

The Colorado investment tax credit for a given year is the sum of the Colorado investment tax credit carried over from preceding taxable years, the investment tax credit for the current taxable year, and the investment tax credit carried back from subsequent tax years. The credits are to be claimed in the order in which they were created with the oldest credit to be claimed first, the second oldest credit to be claimed next, etc.

For taxable years beginning prior to January 1, 1982, the Colorado investment tax credit was a percentage of what the federal investment tax credit would have been had the federal credit been computed in accordance with the provisions of Section 46 of the Internal Revenue Code as such section existed on January 1, 1979. This January 1, 1979 date was removed from the Colorado income tax statute for taxable years beginning on or after January 1, 1982. For these years the Colorado investment tax credit will be based on the federal investment tax credit for the same taxable year.

The Colorado investment tax credit is limited to \$5,000 plus 25% of the amount by which the tax liability exceeds \$5,000, except that for taxable years beginning in 1980 and 1981, the limitation on the credit was \$25,000 plus 70% of the amount by which the tax liability exceeded \$25,000.

Within such limitations, the provisions for Colorado investment tax credit are summarized below:

<u>Taxable Year</u> <u>Beginning In:</u>	<u>Amount of Credits:</u>
1979	10% of the tentative 1979 federal investment tax credit
1980	25% of what 1980 federal investment tax credit would have been under 1/1/79 rules
1981	15% of what 1981 federal investment tax credit would have been under 1/1/79 rules
1982 and later	10% of tentative current year federal investment tax credit

Unused investment tax credits may be carried back for three tax years, but not beyond January 1, 1979, and forward for seven tax years. In the case of a controlled group of corporations, the limitation amounts shall be apportioned among the members of the controlled group.

#### Investment Tax Credit Recapture

For any income tax year beginning on or after January 1, 1979, if any corporation is required to redetermine the credit allowed by Section 38 of the Internal Revenue Code due to the provisions of Section 47 of such code, such corporation must redetermine the Colorado investment credit for the same tax year. With respect to ACRS property acquired during a taxable year beginning on or after January 1, 1982 and prematurely disposed of or reclassified on or after May 26, 1983, the recapture shall be determined in accordance with the recapture percentage table contained in Section 47(a) of the Internal Revenue Code.

If such redetermination results in a reduction of the Colorado investment credit for such year or for any year to which credit was carried, such reduction shall constitute an increase in Colorado income tax for the year during which the disposition or reclassification of the nature of the property

occurs, and the amount of any unused investment tax credit carryback or carryover must be recomputed as appropriate. Such increase in tax shall not be included as tax liability for purposes of computing the limitations on current year credits.

Since the Colorado investment tax credit is based on the federal investment tax credit, the repeal of the federal credit by the Tax Reform Act of 1986 effectively repeals the Colorado credit.

#### Commercial Energy Credit

The commercial energy credit is a commercial, industrial and agricultural credit equal to 10 percent of expenditures for energy property and thirty percent of expenditures for solar or wind energy property which is located in Colorado during the taxable years 1981 through 1986. Energy property is as defined in Section 48(1)(3) of the Internal Revenue Code of 1954. The maximum expenditure for which credit will be allowed is \$1,250,000 for 1981, \$1,750,000 for 1982, and \$2,250,000 for each of the taxable years 1983, 1984, 1985 and 1986. Energy property consists of such as boilers, burners or other equipment which is designed to use fuel other than oil, natural gas or any product of oil and natural gas.

#### Impact Assistance Credit

This credit applies to income taxes imposed on income derived from new or expanded mining or milling operations for tax years beginning after January 1, 1981. The credit is equal to contributions made by the corporation prior to commencement of operations to local governments to assist in solving impact problems created by such operation. Each contribution shall be based on an agreement between the taxpayer and the unit of local government and may be

claimed against its income tax liability during the first five years of operation.

#### Crop-Livestock Credit

A credit is allowed with respect to the value of crops or livestock contributed to charitable organizations during the taxable year. This credit applies to taxable years beginning on or after January 1, 1982 and may not exceed \$1,000 per year. This credit may not exceed any tax liability remaining after previous credits have been claimed. Unused credits may be carried forward as an offset against tax liability for up to five years.

#### Trash Hauling Certificate Credit

For income tax years beginning on or after January 1, 1980, a credit is allowed based on the acquisition costs of a certificate issued by the public utilities commission for serving the public by hauling waste products or other discarded materials to and from disposal sites if such certificate was acquired from any existing motor vehicle carriers engaged in such business. The amount of the credit for any give tax year shall not exceed one-fifth of the cost of the certificate. The total of such credit shall not exceed \$15,000 per certificate.



## APPENDIX B

### DESCRIPTION AND LIMITATIONS OF STATISTICAL SAMPLE

This study was based on a sample of Colorado corporate income tax returns processed by the Department of Revenue during the fiscal year July 1, 1985 through June 30, 1986. Amended returns and audit adjustments are not included in the sample. This appendix describes the sampling procedure and indicates the statistical reliability of the sample.

A total of 54,040 corporate income tax returns were processed during fiscal year 1986. Six strata were created based on the amount of state corporate income tax liability and these classes were sampled at rates ranging from one out of every 20 returns in the non-tax group to every return when the total liability exceeded \$10,000. This procedure yielded a sample size of approximately 7,195 returns. Information from each of these returns was transcribed to worksheets, entered onto a computer data file, and verified by a series of edit checks.

The coefficient of variation (standard deviation as a percentage of the mean) is a measure frequently used to judge the accuracy of a sample. The implication of this measure with respect to tax liability is that if one were to take 100 similar samples of these tax returns, in 95 percent of the samples the estimated value of the Colorado tax liability would be within 0.08 percent of the actual value of Colorado tax liability.

Colorado corporate income tax reported to the Department of Revenue amounted to \$133.8 million. The estimate based on this sample was \$128.1 million or a difference of 4.3 percent of the reported value. Table B-1 shows the statistical reliability of Colorado tax liability by each of the six selected tax strata.

TABLE B-1  
STATISTICAL RELIABILITY OF THE COLORADO  
CORPORATE INCOME TAX BY TAX CLASS

<u>Tax Class</u>	<u>Number In Sample</u>	<u>Coefficient Of Variation</u>	<u>Estimated Tax Liability (\$000)</u>
\$ 0	1,088	0.00	\$ 0
\$ 1 to \$ 500	914	2.58	1,568
\$ 500 to \$ 1,500	875	0.95	4,794
\$1,500 to \$ 3,000	737	0.63	6,241
\$3,000 to \$10,000	1,744	0.50	13,262
Over \$10,000	<u>1,271</u>	<u>0.00</u>	<u>102,271</u>
Total	6,629	0.08	\$128,136

Note: Statistical measures compiled only for corporations subject to tax.

APPENDIX FOOTNOTES

- 1/ 39-22-301 et seq., Colorado Revised Statutes.
- 2/ 24-60-1301 et seq., Colorado Revised Statutes.
- 3/ 10-3-209 et seq., Colorado Revised Statutes.
- 4/ Public Law 86-272.
- 5/ Joslin Dry Goods Co. v. Dolan, \_\_\_\_\_ Colo. \_\_\_\_\_, 615P.2d16(1980).
- 6/ 39-22-303, Colorado Revised Statutes.
- 7/ Net operating losses incurred in taxable years beginning prior to January 1, 1984 may be carried backward and forward for the same number of years as a federal net operating loss.

A. CODES

- 1. Activity \_\_\_\_\_
- 2. Tax Period \_\_\_\_\_
- 3. Foreign/Domestic \_\_\_\_\_
- 4. Business Code \_\_\_\_\_
- 5. Apportionment Method \_\_\_\_\_
- 6. Consolidated Return \_\_\_\_\_
- 7. Combined Report \_\_\_\_\_

B. INCOME TAX

- 1. Fed. Taxable Income \_\_\_\_\_
- 11. Mod. Fed. Tax Income \_\_\_\_\_
- 12. Colo Tax Income B OLD \_\_\_\_\_
- 13. Colorado OLD \_\_\_\_\_
- 14. Colo. Taxable Income \_\_\_\_\_
- 15. Colorado Tax \_\_\_\_\_
- 16. Business Fac. Credit \_\_\_\_\_
- 17. Impact Assist. Credit \_\_\_\_\_
- 18. Pollution Control Cr. \_\_\_\_\_
- 19. Comm. Energy Credit \_\_\_\_\_
- 20. Investment Tax Credit \_\_\_\_\_
- 21. Crop-Livestock Credit \_\_\_\_\_
- 23. Net Tax \_\_\_\_\_
- 24. Investment Recap \_\_\_\_\_
- 26,27. Payments \_\_\_\_\_
- 28. Inventory Tax Credit \_\_\_\_\_
- 30. Balance Due \_\_\_\_\_
- 33. Overpayment \_\_\_\_\_
- 34. Overpayment Credit \_\_\_\_\_
- 35. Overpayment Refunded \_\_\_\_\_

C. BALANCE SHEET

- 14. Total Assets-Year End \_\_\_\_\_
- 15-20. Total Liab-Year End \_\_\_\_\_
- 21-25. Stockholder Equity \_\_\_\_\_

D. CORPORATIONS NOT APPORTIONING INCOME

- 1. Gross Receipts \_\_\_\_\_
- 4. Dividends \_\_\_\_\_
- 5. Interest \_\_\_\_\_
- 6. Rents \_\_\_\_\_
- 7. Royalties \_\_\_\_\_
- 8,9. Gains \_\_\_\_\_
- 10. Other Income \_\_\_\_\_
- 11. Total Income \_\_\_\_\_

E. COLORADO APPORTIONMENT FORMULA

- 9. Revenue Factor
  - a. Colo. Revenue \_\_\_\_\_
  - b. Total Revenue \_\_\_\_\_
  - c. Percent a/b \_\_\_\_\_
- 19. Property Factor
  - a. Colo. Average \_\_\_\_\_
  - b. Total Average \_\_\_\_\_
  - c. Percent a/b \_\_\_\_\_

F. MULTISTATE APPORTIONMENT FORMULA

- 1. Property Factor
  - h(1). Colo. Average \_\_\_\_\_
  - h(2). Total Average \_\_\_\_\_
    - i. Percent h(1)/h(2) \_\_\_\_\_
- 2. Payroll Factor
  - a. Colo. Payroll \_\_\_\_\_
  - b. Total Payroll \_\_\_\_\_
  - c. Percent a/b \_\_\_\_\_
- 3. Revenue Factor
  - e(1). Colo. Revenue \_\_\_\_\_
  - e(2). Total Revenue \_\_\_\_\_
    - f. Percent e(1)/e(2) \_\_\_\_\_

G. NON-BUSINESS INCOME

- 7. Total Income Directly Allocable
  - a. Rents/Royalties \_\_\_\_\_
  - b. Capital Gains \_\_\_\_\_
  - c. Interest/Dividends \_\_\_\_\_
  - d. Patents/Copyrights \_\_\_\_\_
  - e. Total \_\_\_\_\_
- 10. Colorado Income Directly Allocable
  - a. Rents/Royalties \_\_\_\_\_
  - b. Capital Gains \_\_\_\_\_
  - c. Interest/Dividends \_\_\_\_\_
  - d. Patents/Copyrights \_\_\_\_\_
  - e. Total \_\_\_\_\_

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