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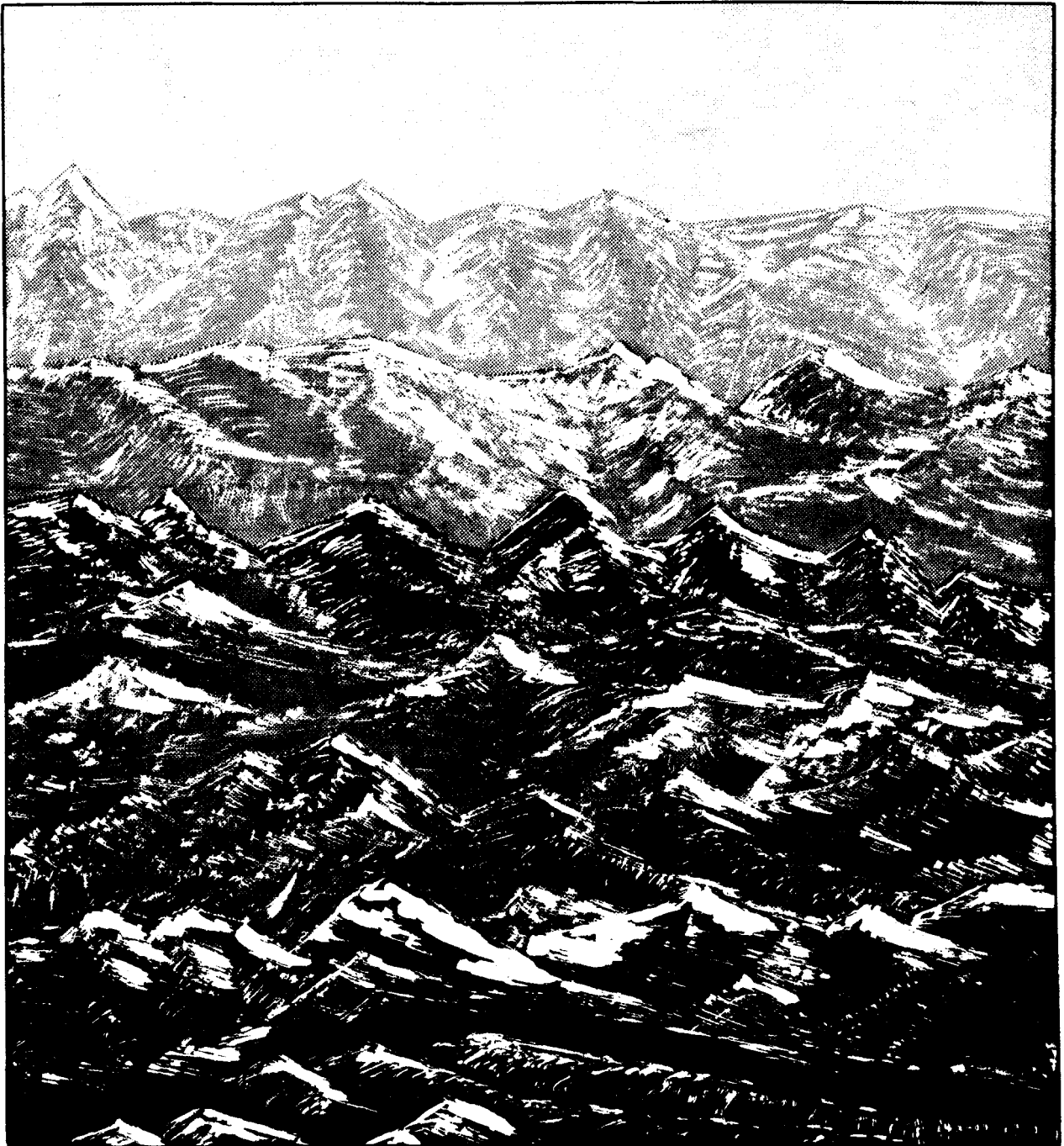
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Corporate Income Tax Returns Filed in Fiscal Year 1984/85

COLORADO STATISTICS OF INCOME

PREPARED BY THE COLORADO DEPARTMENT OF REVENUE RESEARCH AND STATISTICS
COLORADO LEGISLATIVE COUNCIL RESEARCH PUBLICATION NO. 304, FEBRUARY 1986

COLORADO STATISTICS OF INCOME
CORPORATION INCOME TAX RETURNS
FILED IN FISCAL YEAR 1984/85

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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, 1984 through June 30, 1985. Detailed statistical tables are presented in which returns involved in some form of economic activity in Colorado 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. Other studies of this type were conducted in 1975, 1981, 1983 and 1984 ^{1/}.

Number and Type of Returns

The sample survey for this study indicates that 79,421 returns were processed during the fiscal year July 1, 1984 through June 30, 1985 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	20,838	26.24
Nontaxable	<u>33,611</u>	<u>42.32</u>
Total	54,449	68.56
<u>Not Subject to Tax</u>		
Inactive/nonoperating	2,930	3.69
Non profit/charitable	160	.20
Subchapter S Corporations	21,762	27.40
DISC <u>a/</u> & Investment		
Trusts	<u>120</u>	<u>.15</u>
Total	24,972	31.44
Total Returns Filed	79,421	100.00

a/ Domestic International Sales Corporation

As shown in Table A there are two basic types of corporate returns received by 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 filed as the result of a granted extension beyond the normal due date when the later return was filed without 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 1984/85 the 54,449 returns subject to tax represented over two-thirds of all the returns processed. Out of this total, 20,838 or 38% were taxable returns, i.e. reported some amount of positive Colorado taxable income (profit) and therefore incurred an income tax liability. In contrast, 62% 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 returns tabulated in this report are based on either the calendar year or the fiscal year used by the firm for federal and state income tax purposes. Table B shows the distribution of the number and tax liability before tax credits of returns filed during the state fiscal year July 1, 1984 through June 30, 1985, 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 1985

Ending Month of Accounting Period	Tax Returns		Tax Liability	
	Number	Percentage Distribution	Amount (\$000)	Percentage Distribution
1983 Prior to December	7,067	13.0	\$ 7,223	6.2
December	11,915	21.9	59,315	51.2
1984 January	1,290	2.4	4,287	3.7
February	978	1.8	1,643	1.4
March	2,763	5.1	4,289	3.7
April	2,151	3.9	3,033	2.6
May	1,790	3.3	2,536	2.2
June	5,316	9.8	6,669	5.8
July	1,588	2.9	2,176	1.9
August	1,517	2.8	2,077	1.8
September	3,417	6.3	4,369	3.8
October	2,307	4.2	3,237	2.8
November	1,285	2.4	1,344	1.2
December	8,923	16.4	10,816	9.3
1985 January and after	2,145	3.9	2,811	2.4
Total Returns Filed <u>a/</u>	54,449	100.0	\$115,825	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 pollution control property tax credit, 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/}. 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 1985

	Number of Returns		Amount of Tax Credits	
A. Dollar Amount in Thousands				
Pollution Control		9		\$ 121
New Business Facilities		502		2,146
Inventory Tax		1,405		12,229
Investment	12,384		\$14,065	
Investment Recapture <u>a/</u>	<u>3,319</u>	15,703	<u>(990)</u>	13,075
Commercial Energy		87		963
Other		59		11
Total		<u>17,765</u>		<u>\$28,545</u>
B. Percent Distribution				
Pollution Control		0.1		0.4
New Business Facilities		2.8		7.5
Inventory Tax		7.9		42.8
Investment	69.7		49.3	
Investment Recapture	<u>18.7</u>	88.4	<u>(3.5)</u>	45.8
Commercial Energy		0.5		3.4
Other		0.3		**
Total		<u>100.0</u>		<u>100.0</u>

** Less than 0.1 percent.

a/ Tax from recomputing prior year investment credit.

As shown in Table C the most important of the tax credits, both in number of returns and dollar amount of credit is the investment tax credit which was utilized by over one-fifth of the returns and accounted for over one-half of the total amount of credits claimed.

The next most significant credit is the inventory property tax credit which was claimed by 1,405 firms or approximately 2.6 percent of the 54,449 returns subject to tax.

The other major credits are more specific purpose credits limited in scope and are not as widely used. In dollar magnitude order, the new business facility credit was claimed on 502 returns or by 0.9 percent of all returns, the commercial energy credit was used by 87 firms or nearly 0.2 percent of total returns, and only 9 returns or 0.02 percent of all those subject to tax used the pollution control credit.

The combined credits claimed amounted to \$29.5 million and represented a tax saving equivalent to 25.5 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 \$28.5 million for a 24.6 percent reduction in tax liability.

Tax Rates

The majority of corporations covered by this report were taxed at the rate of 5 percent on net income derived from Colorado sources. There were some returns, however, which were filed under graduated corporate tax rates (see Appendix A). The graduated rates reduced tax liabilities by approximately \$2.7 million for the fiscal year ended June 30, 1982, \$3.6 million for fiscal 1983, \$2.7 million for fiscal 1984 and \$0.2 million in fiscal 1985.

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 3 states had a lower rate than Colorado. Five other states had rates the same as Colorado and 32 states, including the District of Columbia, had a maximum rate higher than Colorado.

Table D

STATE CORPORATION INCOME TAX RATES
Maximum Rates - %

<u>No Tax</u> <u>5 States</u>		<u>Lower than Colo.</u> <u>3 States</u>		<u>Same as Colo.</u> <u>5 States</u>		<u>Higher than Colo.</u> <u>37 States a/</u>	
Nevada		Michigan	2.35	<u>Colorado</u>	5	Florida	5.5
South Dakota		Indiana	3			Arkansas	6
Texas		Illinois	4	Alabama	5	Georgia	6
Washington				Mississippi	5	North Carolina	6
Wyoming				Missouri	5	South Carolina	6
				Oklahoma	5	Tennessee	6
				Utah	5	Virginia	6
						Hawaii	6.435
						Nebraska	6.65
						Kansas	6.75
						Montana	6.75
						Maryland	7
						West Virginia	7
						New Mexico	7.2
						Kentucky	7.25
						Oregon	7.5
						Idaho	7.7
						Wisconsin	7.9
						Louisiana	8
						New Hampshire	8
						Massachusetts	8.33
						Delaware	8.7
						Maine	8.93
						New Jersey	9
						Rhode Island	9
						Vermont	9
						Ohio	9.2
						Alaska	9.4
						Pennsylvania	9.5
						California	9.6
						District of	
						Columbia	10
						New York	10
						Arizona	10.5
						North Dakota	10.5
						Connecticut	11.5
						Iowa	12
						Minnesota	12

a/ Includes District of Columbia

Federal Legislation

Legislation at the federal level also has had an effect on the Colorado corporation income tax. Since Colorado corporate taxable income is determined, for the most part, by reference to federal taxable income ^{3/}, the income and deduction provisions of the Economic Recovery Tax Act of 1981 and the Tax Equity and Fiscal Responsibility Act of 1982 apply automatically in the determination of Colorado corporate taxable income. Based on information provided by the Office of Tax Analysis of the U.S. Treasury Department, it is estimated that the provisions of these acts, especially with regard to accelerated depreciation provided by the accelerated cost recovery system reduced Colorado income tax liability by approximately \$5.8 million for fiscal 1982, \$11.3 million for fiscal 1983, \$19.9 million for fiscal 1984 and \$25.7 million for fiscal 1985.

Corporation Income Tax Trends

Tables E and G show the trend in corporate income tax liability since 1975 and the impact of federal and state legislation in the corporate area. In the absence of such legislation, Colorado corporate income tax liability would have increased since the 1975 study from \$48.8 million to \$141.7 million in fiscal 1985 for an average annual growth rate of 11.2%. With the legislative changes, the tax liability rose from \$48.8 million in 1975 to \$87.3 million in 1985 for an average annual rate of 6.0%

Tables F and G portray 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. Net collections have increased from \$58.1 million in fiscal 1975 to \$97.8 million in fiscal 1985. This represents an average annual increase of 5.3%.

Table E

Corporate Income Tax - Tax Liability and Impact of Tax Changes
Colorado Corporate Income Tax Returns

Fiscal Years Ended June 30	Tax Liability Before Changes	Base and Rate Changes			Total Change	Tax Liability After Base & Rate Change	Colorado Income Tax Credits	Net Tax Liability After Changes Changes
		Federal		Colorado				
		Economic Recovery & Tax Equity Acts ^{1/}	Tax Rate Change	Tax Rate Change				
A. Dollar Amounts in Millions								
1975	48.8				48.8			48.8
1976	54.0				54.0			54.0
1977	57.1				57.1			57.1
1978	73.1				73.1			73.1
1979	91.9				91.9	*		91.9
1980	101.6				101.6	2.9		98.7
1981	116.5				116.5	16.5		100.0
1982	126.8	5.8	2.7 ^{2/}	8.5	118.3	34.6		83.7
1983	134.6	11.3	3.6 ^{3/}	14.9	119.7	36.7		83.0
1984	123.3	19.9	2.7 ^{3/}	22.6	100.7	25.6		75.1
1985	141.7	25.7	.2 ^{3/}	25.9	115.8	28.5		87.3

^{1/} Accelerated Cost Recovery System

^{2/} 1st \$25,000 at 4%, 2nd \$25,000 at 4 1/2%, balance 5%

^{3/} 1st \$25,000 at 4%, next \$50,000 at 4 1/2%, balance 5%

* \$25,000

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						
1975	14.4	47.7	2.5	64.6	6.5	58.1
1976	16.4	58.0	4.3	78.7	8.8	69.9
1977	14.2	65.2	6.4	85.8	7.6	78.2
1978	17.7	73.7	4.9	96.3	8.6	87.7
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

Table G
Corporate Tax Revenue
Colorado Corporate Income Tax Returns

<u>Fiscal Years Ended June 30</u>	<u>Tax Liability Before Credits and Law Changes</u>	<u>Tax Liability After Credits and Law Changes</u>	<u>Net Cash Collections</u>
A. Dollar Amounts in Millions			
1975	48.8	48.8	58.1
1976	54.0	54.0	69.9
1977	57.1	57.1	78.2
1978	73.1	73.1	87.7
1979	91.9	91.9	117.0
1980	101.6	98.7	109.5
1981	116.5	100.0	102.2
1982	126.8	83.7	89.3
1983	134.6	83.0	53.8
1984	123.3	75.1	85.0
1985	141.7	87.3	97.8
B. Percent Change			
1976	10.7	10.7	20.3
1977	5.7	5.7	11.9
1978	28.0	28.0	12.2
1979	25.7	25.7	33.4
1980	10.6	7.4	- 6.4
1981	14.7	1.3	- 6.7
1982	8.8	-16.3	-12.6
1983	6.2	- 0.8	-39.8
1984	- 8.4	- 9.5	58.0
1985	14.9	16.3	15.1
Average Annual Change:	11.2	6.0	5.3

Table H

Corporation Income Tax Credits
Colorado Corporate Income Tax Returns

<u>Fiscal Years Ended June 30</u>	<u>New Business Facilities ^{1/}</u>	<u>Investment Credit ^{2/}</u>	<u>Inventory Credit ^{3/}</u>	<u>Pollution Control ^{4/}</u>	<u>Commercial Energy ^{5/}</u>	<u>Total Credits</u>
A. Dollar Amounts in Millions						
1978						0
1979	*					*
1980	.3	1.9	.3	.4		2.9
1981	.6	13.0	2.5	.4		16.5
1982	1.3	26.1 ^{6/}	6.0	1.0	.2	34.6
1983	1.0	23.4 ^{6/}	10.5	1.3	.5	36.7
1984	1.2	11.6 ^{6/}	11.2	1.1	.5	25.6
1985	2.1	13.1 ^{6/}	12.2	.1	1.0	28.5

* \$25,000

^{1/} \$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.

^{2/} 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.

^{3/} 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.

^{4/} 30% of amount of property tax paid on pollution control property.

^{5/} 10% of expenditures for energy conservation and 30% for renewable energy property expenditures made during tax years 1981 through 1986.

^{6/} Net of investment credit recapture of \$.2 million in fiscal 1982, \$.8 million in fiscal 1983 and \$.9 million in fiscal 1984 and \$1.0 million in fiscal 1985.

Table H 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 \$13.1 million in fiscal 1985 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 ^{4/}. Corporations which do not qualify for income apportionment are classified as intrastate corporations. Table I-1 shows the distribution of intrastate corporations and interstate corporations by the apportionment method. Table I-2 shows the distribution of the tax credits by type of credit on the same basis.

While the intrastate firms represent about 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 I-1

Intrastate and Interstate Firms
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1985

	<u>Number of Returns</u>			<u>Colorado Tax</u>		
	<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						
Intrastate (non-apportioning)	44,468	27,721	16,747	\$ 41,554	\$ 5,652	\$35,902
Interstate (apportioning income)						
two-factor formula	4,456	2,780	1,676	\$ 39,100	\$14,723	\$24,377
three-factor formula	5,431	3,070	2,361	28,842	7,331	21,511
other apportionment methods	96	40	56	6,327	839	5,488
Total Interstate	<u>9,983</u>	<u>5,890</u>	<u>4,093</u>	<u>\$ 74,269</u>	<u>\$22,893</u>	<u>\$51,376</u>
Totals <u>a/</u>	54,451	33,611	20,840	\$115,823	\$28,545	\$87,278
B. Percent Distribution						
Intrastate (non-apportioning)	81.7	82.5	80.4	35.9	19.8	41.1
Interstate (apportioning income)						
two-factor formula	8.2	8.3	8.0	33.8	51.6	27.9
three-factor formula	10.0	9.1	11.3	24.9	25.7	24.6
other apportionment methods	0.2	0.1	0.3	5.5	2.9	6.3
Total Interstate	<u>18.3</u>	<u>17.5</u>	<u>19.6</u>	<u>64.1</u>	<u>80.2</u>	<u>58.9</u>
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 1-2

Intrastate and Interstate Firms - Tax Credits
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1985

	<u>Other</u>	<u>Pollution Control</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)	\$11	\$ 0	\$ 278	\$ 1,772	\$ 4,008	\$130	\$ 6,199	\$547	\$ 5,652
Interstate (apportioning income)									
two-factor formula	\$ 0	\$ 50	\$1,282	\$ 6,353	\$ 7,047	\$265	\$14,997	\$274	\$14,723
three-factor formula	0	71	564	3,980	2,293	568	7,476	145	7,331
other apportionment methods	0	0	22	124	717	0	863	24	839
Total Interstate	\$ 0	\$121	\$1,868	\$10,457	\$10,057	\$833	\$23,336	\$443	\$22,893
Totals <u>a/</u>	\$11	\$121	\$2,146	\$12,229	\$14,065	\$963	\$29,535	\$990	\$28,545
B. Number of Returns <u>b/</u>									
Intrastate (non-apportioning)	57	0	302	967	10,848	71	12,245	2,937	9,308
Interstate (apportioning income)									
two-factor formula	2	5	73	151	697	7	935	211	724
three-factor formula	0	4	124	272	828	9	1,237	169	1,068
other apportionment methods	0	0	3	15	11	0	29	2	27
Total Interstate	2	9	200	438	1,536	16	2,201	382	1,819
Totals <u>a/</u>	59	9	502	1,405	12,384	87	14,446	3,319	11,127
C. Percent Distribution of Dollar Amounts									
Intrastate (non-apportioning)	100.0	0.0	13.0	14.5	28.5	13.5	21.0	55.3	19.8
Interstate (apportioning income)									
two-factor formula	0.0	41.3	59.7	52.0	50.1	27.5	50.8	27.7	51.6
three-factor formula	0.0	58.7	26.3	32.5	16.3	59.0	25.3	14.6	25.7
other apportionment methods	0.0	0.0	1.0	1.0	5.1	0.0	2.9	2.4	2.9
Total Interstate	0.0	100.0	87.0	85.5	71.5	86.5	79.0	44.7	80.2
Totals <u>a/</u>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D. Percent Distribution of Returns									
Intrastate (non-apportioning)	96.6	0.0	60.2	68.8	87.6	81.6	84.8	88.5	83.7
Interstate (apportioning income)									
two-factor formula	3.4	55.6	14.5	10.7	5.6	8.0	6.5	6.4	6.5
three-factor formula	0.0	44.4	24.7	19.4	6.7	10.3	8.6	5.1	9.6
other apportionment methods	0.0	0.0	0.6	1.1	0.1	0.0	0.2	0.1	0.2
Total Interstate	3.4	100.0	39.8	31.2	12.4	18.4	15.2	11.5	16.3
Totals <u>a/</u>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Table J-1

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

	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						
Domestic						
Intrastate	42,055	26,021	16,034	\$ 36,235	\$ 5,426	\$30,809
Interstate	2,165	1,380	785	25,496	7,689	17,807
Total	<u>44,220</u>	<u>27,401</u>	<u>16,819</u>	<u>\$ 61,731</u>	<u>\$13,115</u>	<u>\$48,616</u>
Foreign						
Intrastate	2,413	1,700	713	\$ 5,319	\$ 227	\$ 5,092
Interstate	7,817	4,510	3,307	48,774	15,206	33,568
Total	<u>10,230</u>	<u>6,210</u>	<u>4,020</u>	<u>\$ 54,093</u>	<u>\$15,433</u>	<u>\$38,660</u>
Total Returns <u>a/</u>	54,450	33,611	20,839	\$115,824	\$28,548	\$87,276
B. Percent Distribution						
Domestic						
Intrastate	77.2	77.4	76.9	31.3	19.0	35.3
Interstate	4.0	4.1	3.8	22.0	26.9	20.4
Total	<u>81.2</u>	<u>81.5</u>	<u>80.7</u>	<u>53.3</u>	<u>45.9</u>	<u>55.7</u>
Foreign						
Intrastate	4.4	5.1	3.4	4.6	0.8	5.8
Interstate	14.4	13.4	15.9	42.1	53.3	38.5
Total	<u>18.8</u>	<u>18.5</u>	<u>19.3</u>	<u>46.7</u>	<u>54.1</u>	<u>44.3</u>
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 J-2
Domestic and Foreign Firms - Tax Credits
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1985

	Other	Pollution Control	New Business Facilities	Inventory	Investment	Commercial Energy	Total	Investment Recapture	Net Credits
A. Dollar Amounts in Thousands									
Domestic									
Intrastate	\$ 6	\$ 0	\$ 265	\$ 1,666	\$ 3,873	\$130	\$ 5,940	\$514	\$ 5,426
Interstate	*	19	377	1,996	5,290	226	7,908	219	7,689
Total	\$ 6	\$ 19	\$ 642	\$ 3,662	\$ 9,163	\$356	\$13,848	\$733	\$13,115
Foreign									
Intrastate	\$ 5	\$ 0	\$ 13	\$ 107	\$ 135	\$ 0	\$ 260	\$ 33	\$ 227
Interstate	0	102	1,491	8,462	4,768	607	15,430	224	15,206
Total	\$ 5	\$102	\$1,504	\$ 8,569	\$ 4,903	\$607	\$15,690	\$257	\$15,433
Total Returns ^{a/}	\$11	\$121	\$2,146	\$12,231	\$14,066	\$963	\$29,538	\$990	\$28,548
B. Number of Returns ^{b/}									
Domestic									
Intrastate	56	0	297	914	10,647	71	11,985	2,829	9,156
Interstate	2	2	72	69	584	3	732	243	489
Total	58	2	369	983	11,231	74	12,717	3,072	9,645
Foreign									
Intrastate	1	0	5	54	201	0	261	106	153
Interstate	0	7	128	369	952	13	1,469	139	1,330
Total	1	7	133	423	1,153	13	1,730	247	1,483
Total Returns ^{a/}	59	9	502	1,406	12,384	87	14,447	3,319	11,128
C. Percent Distribution of Dollar Amounts									
Domestic									
Intrastate	54.5	0.0	12.3	13.6	27.5	13.5	20.1	51.9	19.0
Interstate	**	15.7	17.6	16.3	37.6	23.5	26.8	22.1	26.9
Total	54.5	15.7	29.9	29.9	65.1	37.0	46.9	74.0	45.9
Foreign									
Intrastate	45.5	0.0	0.6	0.9	1.0	0.0	0.9	3.3	0.8
Interstate	0.0	84.3	69.5	69.2	33.9	63.0	52.2	22.6	53.3
Total	45.5	84.3	70.1	70.1	34.9	63.0	53.1	26.0	54.1
Total Returns ^{a/}	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
D. Percent Distribution of Returns									
Domestic									
Intrastate	94.9	0.0	59.2	65.0	86.0	81.6	83.0	85.2	82.3
Interstate	3.4	22.2	14.3	4.9	4.7	3.4	5.1	7.3	4.4
Total	98.3	22.2	73.5	69.9	90.7	85.1	88.0	92.6	86.7
Foreign									
Intrastate	1.7	0.0	1.0	3.8	1.6	0.0	1.8	3.3	1.4
Interstate	0.0	77.8	25.5	26.2	7.7	14.9	10.2	4.2	12.0
Total	1.7	77.8	26.5	30.1	9.3	14.9	12.0	7.4	13.3
Total Returns ^{a/}	100.0	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 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, 95% of all domestic returns were intrastate firms and conversely 76% of all foreign returns were interstate firms. The distribution of the domestic and foreign returns by intrastate and interstate activity is presented in Table J-1. Table J-2 details the tax credits by this same classification.

Distribution by Industry

When corporate returns are classified on the basis of major standard industrial classification codes (SIC), service industries as a group including wholesale and retail trade account for over two-thirds of the returns and two-fifths of the total tax liability. The agricultural sector continues to be the least significant class representing 3% of the returns and a little over 1% of the tax. The manufacturing group accounts for about 9% of the returns but nearly one-third 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 L-1 and L-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 Industry
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1985

	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						
Agriculture	1,645	1,040	605	\$ 1,366	\$ 199	\$ 1,167
Mining	2,825	2,220	605	3,929	368	3,561
Construction	5,645	3,820	1,825	5,982	842	5,140
Manufacturing	5,142	3,060	2,082	39,144	12,012	27,132
Transportation, Public Utilities	1,911	1,380	531	18,199	4,461	13,738
Wholesale, Retail Trade	10,939	5,960	4,979	21,828	8,198	13,630
Finance, Insurance, Real Estate	10,320	6,990	3,330	13,083	1,032	12,051
Other Services	16,026	9,141	6,885	12,294	1,433	10,861
Totals <u>a/</u>	54,453	33,611	20,842	\$115,825	\$28,545	\$87,280
B. Percent Distribution						
Agriculture	3.0	3.1	2.9	1.2	0.7	1.3
Mining	5.2	6.6	2.9	3.4	1.3	4.1
Construction	10.4	11.4	8.8	5.2	3.0	5.9
Manufacturing	9.4	9.1	10.0	33.8	42.1	31.1
Transportation, Public Utilities	3.5	4.1	2.6	15.7	15.6	15.7
Wholesale, Retail Trade	20.1	17.7	23.9	18.9	28.7	15.6
Finance, Insurance, Real Estate	19.0	20.8	16.0	11.3	3.6	13.8
Other Services	29.4	27.2	33.0	10.6	5.0	12.4
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 K-2

Classification by Industry - Tax Credits
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1985

	<u>Other</u>	<u>Pollution Control</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									
Agriculture	\$ 0	\$ 0	\$ 1	\$ 2	\$ 206	\$ 13	\$ 222	\$ 23	\$ 199
Mining	0	70	25	2	348	5	450	82	368
Construction	*	0	17	160	727	13	917	75	842
Manufacturing	2	35	1,252	5,221	4,924	785	12,219	207	12,012
Transportation, Public Utilities	5	16	49	584	3,879	0	4,533	72	4,461
Wholesale, Retail Trade	2	0	545	5,850	1,885	110	8,392	194	8,198
Finance, Insurance, Real Estate	1	*	131	315	647	18	1,112	80	1,032
Other Services	1	0	128	95	1,448	18	1,690	257	1,433
Totals <u>a/</u>	<u>\$11</u>	<u>\$121</u>	<u>\$2,148</u>	<u>\$12,229</u>	<u>\$14,064</u>	<u>\$962</u>	<u>\$29,535</u>	<u>\$990</u>	<u>\$28,545</u>
B. Number of Returns <u>b/</u>									
Agriculture	0	0	2	14	402	8	426	91	335
Mining	0	1	14	5	292	1	313	161	152
Construction	2	0	36	74	1,280	5	1,397	356	1,041
Manufacturing	10	5	126	336	1,215	18	1,710	312	1,398
Transportation, Public Utilities	1	1	11	19	284	0	316	79	237
Wholesale, Retail Trade	14	0	178	843	3,436	35	4,506	910	3,596
Finance, Insurance, Real Estate	16	2	32	31	1,196	2	1,279	389	890
Other Services	16	0	105	84	4,280	19	4,504	1,022	3,482
Totals <u>a/</u>	<u>59</u>	<u>9</u>	<u>504</u>	<u>1,406</u>	<u>12,385</u>	<u>88</u>	<u>14,451</u>	<u>3,320</u>	<u>11,131</u>
C. Percent Distribution of Dollar Amounts									
Agriculture	0.0	0.0	**	**	1.5	1.4	0.8	2.3	0.7
Mining	0.0	57.9	1.2	**	2.5	0.5	1.5	8.3	1.3
Construction	**	0.0	0.8	1.3	5.2	1.4	3.1	7.6	2.9
Manufacturing	18.2	28.9	58.3	42.7	35.0	81.6	41.4	20.9	42.1
Transportation, Public Utilities	45.5	13.2	2.3	4.8	27.6	0.0	15.3	7.3	15.6
Wholesale, Retail Trade	18.2	0.0	25.4	47.8	13.4	11.4	28.4	19.6	28.7
Finance, Insurance, Real Estate	9.1	**	6.1	2.6	4.6	1.9	3.8	8.1	3.6
Other Services	9.1	0.0	6.0	0.8	10.3	1.9	5.7	26.0	5.0
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>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
D. Percent Distribution of Returns									
Agriculture	0.0	0.0	0.4	1.0	3.2	9.1	2.9	2.7	3.0
Mining	0.0	11.1	2.8	0.4	2.4	1.1	2.2	4.8	1.4
Construction	3.4	0.0	7.1	5.3	10.3	5.7	9.7	10.7	9.4
Manufacturing	16.9	55.6	25.0	23.9	9.8	20.5	11.8	9.4	12.6
Transportation, Public Utilities	1.7	11.1	2.2	1.4	2.3	0.0	2.2	2.4	2.1
Wholesale, Retail Trade	23.7	0.0	35.3	60.0	27.7	39.8	31.2	27.4	32.3
Finance, Insurance, Real Estate	27.1	22.2	6.3	2.2	9.7	2.3	8.9	11.7	8.0
Other Services	27.1	0.0	20.8	6.0	34.6	21.6	31.2	30.8	31.3
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>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

* 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 L-1

Classification by Asset Size
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1985

	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	24,983	17,041	7,942	\$ 6,342	\$ 483	\$ 5,859
\$ 100,000 - \$ 1 Million	17,640	9,550	8,090	14,066	2,321	11,745
\$ 1 Million - \$100 Million	10,028	6,060	3,968	39,107	7,193	31,914
\$100 Million and over	1,800	960	840	56,309	18,545	37,764
Totals <u>a/</u>	<u>54,451</u>	<u>33,611</u>	<u>20,840</u>	<u>\$115,825</u>	<u>\$28,542</u>	<u>\$87,283</u>
B. Percent Distribution						
Under \$ 100,000	45.9	50.7	38.1	5.5	1.7	6.7
\$ 100,000 - \$ 1 Million	32.4	28.4	38.8	12.1	8.1	13.5
\$ 1 Million - \$100 Million	18.4	18.0	19.0	33.8	25.2	36.7
\$100 Million and over	3.3	2.9	4.0	48.6	65.0	43.3
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 L-2

Classification by Asset Size - Tax Credits
 Colorado Corporate Income Tax Returns
 Filed in Fiscal Year 1985

	Other	Pollution Control	New Business Facilities	Inventory	Investment	Commercial Energy	Total	Investment Recapture	Net Credits
A. Dollar Amounts in Thousands									
Under \$ 100,000	\$ 6	\$ 0	\$ 19	\$ 56	\$ 539	\$ 1	\$ 621	\$138	\$ 483
\$ 100,000 - \$ 1 Million	*	*	87	515	1,857	37	2,496	175	2,321
\$ 1 Million - \$100 Million	5	17	490	3,769	3,260	112	7,653	460	7,193
\$100 Million and over	0	103	1,549	7,889	8,408	813	18,762	217	18,545
Totals <u>a/</u>	<u>\$11</u>	<u>\$121</u>	<u>\$2,145</u>	<u>\$12,230</u>	<u>\$14,065</u>	<u>\$962</u>	<u>\$29,532</u>	<u>\$990</u>	<u>\$28,542</u>
B. Number of Returns <u>b/</u>									
Under \$ 100,000	52	0	66	136	4,107	6	4,367	813	3,554
\$ 100,000 - \$ 1 Million	6	2	174	616	5,698	51	6,547	1,509	5,038
\$ 1 Million - \$100 Million	1	1	189	498	2,266	23	2,978	946	2,032
\$100 Million and over	*	6	74	155	313	7	555	51	504
Totals <u>a/</u>	<u>59</u>	<u>9</u>	<u>503</u>	<u>1,405</u>	<u>12,384</u>	<u>87</u>	<u>14,447</u>	<u>3,319</u>	<u>11,128</u>
C. Percent Distribution of Dollar Amounts									
Under \$ 100,000	54.5	0.0	0.9	0.5	3.8	0.1	2.1	13.9	1.7
\$ 100,000 - \$ 1 Million	**	**	4.1	4.2	13.2	3.8	8.5	17.7	8.1
\$ 1 Million - \$100 Million	45.5	14.0	22.8	30.8	23.2	11.6	25.9	46.5	25.2
\$100 Million and over	0.0	85.1	72.2	64.5	59.8	84.5	63.5	21.9	65.0
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>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
D. Percent Distribution of Returns									
Under \$ 100,000	88.1	0.0	13.1	9.7	33.2	6.9	30.2	24.5	31.9
\$ 100,000 - \$ 1 Million	10.2	22.2	34.6	43.8	46.0	58.6	45.3	45.5	45.3
\$ 1 Million - \$100 Million	1.7	11.1	37.6	35.4	18.3	26.4	20.6	28.5	18.3
\$100 Million and over	**	66.7	14.7	11.0	2.5	8.0	3.8	1.5	4.5
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>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

* 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.

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 approximately two-fifths of the returns, but accounted for only about 6% of the total tax liability. In contrast, the largest firms, those with assets of \$100 million or more, represented only about 4% of the returns but generated nearly one-half the total tax liability and accounted for almost two-thirds of the tax credits. On a broader scale, if one considers a corporation with assets of \$1 million or more 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, by this measure small and medium sized firms, those with assets less than \$1 million, accounted for nearly four out of every five 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 used in this report, one of which is for nontax returns and nine are used to distribute the taxable returns. Several of the nine classes are designed to parallel the break points for the graduated income tax rates, i.e., taxable incomes to \$25,000, \$25,000 to \$50,000, \$50,000 to \$75,000, and taxable incomes over \$75,000. 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 M-1, the nontaxable returns as a group constituted nearly two-thirds 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 less than 5% 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 nearly 69% total tax liability and an equal percentage of the tax credits.

Distribution of Returns by Income and Asset Size

Tables N and O 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 \$25,000 the service categories represented approximately two-thirds of the returns, and in the classes between \$25,000 and \$500,000 they amounted to nearly four-fifths of the returns. In the largest taxable class, service oriented firms constituted almost one-half of

Table M-1

Distribution of Returns by Taxable Income Classes
 Colorado Corporate Income Tax Returns
 Filed in Fiscal Year 1985

	<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	33,611	-\$5,737,839	\$ 0	\$ 5,718	-\$ 5,718
Taxable Returns					
Under \$ 2,000	3,510	\$ 3,104	\$ 154	\$ 53	\$ 101
\$ 2,000 - \$ 10,000	5,426	29,987	1,480	354	1,126
\$ 10,000 - \$ 25,000	4,305	72,514	3,589	645	2,944
\$ 25,000 - \$ 50,000	3,149	113,261	5,617	874	4,743
\$ 50,000 - \$ 75,000	1,385	84,332	4,182	593	3,589
\$ 75,000 - \$100,000	763	66,232	3,291	516	2,775
\$100,000 - \$200,000	1,038	142,823	7,118	1,157	5,961
\$200,000 - \$500,000	688	213,825	10,673	1,636	9,037
\$500,000 and over	574	1,594,763	79,720	17,006	62,714
Total Taxable	20,838	\$2,320,840	\$115,825	\$22,834	\$92,991

B. Percentage Distribution

Taxable Returns					
Under \$ 2,000	16.8	0.1	0.1	0.2	0.1
\$ 2,000 - \$ 10,000	26.0	1.3	1.3	1.6	1.2
\$ 10,000 - \$ 25,000	20.7	3.1	3.1	2.8	3.2
\$ 25,000 - \$ 50,000	15.1	4.9	4.8	3.8	5.1
\$ 50,000 - \$ 75,000	6.6	3.6	3.6	2.6	3.9
\$ 75,000 - \$100,000	3.7	2.9	2.8	2.3	3.0
\$100,000 - \$200,000	5.0	6.2	6.1	5.1	6.4
\$200,000 - \$500,000	3.3	9.2	9.2	7.2	9.7
\$500,000 and over	2.8	68.7	68.8	74.5	67.4
Total Taxable	100.0	100.0	100.0	100.0	100.0

Table M-2

Distribution of Tax Credits by Taxable Income Classes
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1985

	Other	Pollution Control	New Business Facilities	Inventory	Investment	Commercial Energy	Total	Investment Recapture	Net Credits
A. Dollar Amounts in Thousands									
Nontaxable Returns	\$ 0	\$ 0	\$ 0	\$ 5,868	\$ 0	\$ 0	\$ 5,868	\$150	\$ 5,718
Taxable Returns									
Under \$ 2,000	\$ 1	\$ 0	\$ *	\$ 20	\$ 40	\$ 0	\$ 61	\$ 8	\$ 53
\$ 2,000 - \$ 10,000	4	0	7	38	336	0	385	31	354
\$ 10,000 - \$ 25,000	1	0	29	87	564	4	685	40	645
\$ 25,000 - \$ 50,000	*	0	41	172	733	12	958	84	874
\$ 50,000 - \$ 75,000	0	0	29	73	501	17	620	27	593
\$ 75,000 - \$100,000	*	0	25	69	456	10	560	44	516
\$100,000 - \$200,000	0	*	52	261	871	48	1,232	75	1,157
\$200,000 - \$500,000	5	3	149	561	991	40	1,749	113	1,636
\$500,000 and over	0	118	1,813	5,081	9,572	832	17,416	410	17,006
Total Taxable	\$11	\$121	\$2,146	\$ 6,362	\$14,065	\$962	\$23,666	\$832	\$22,834
Grand Total <u>a/</u>	\$11	\$121	\$2,146	\$12,230	\$14,065	\$962	\$29,534	\$982	\$28,552
B. Number of Returns <u>b/</u>									
Nontaxable Returns	0	0	0	500	0	0	500	920	- 420
Taxable Returns									
Under \$ 2,000	20	0	10	20	1,260	0	1,310	80	1,230
\$ 2,000 - \$ 10,000	20	0	50	160	3,000	0	3,230	280	2,950
\$ 10,000 - \$ 25,000	12	0	94	108	2,732	28	2,974	492	2,482
\$ 25,000 - \$ 50,000	4	0	84	150	2,184	20	2,442	488	1,954
\$ 50,000 - \$ 75,000	0	0	49	100	1,020	10	1,179	260	919
\$ 75,000 - \$100,000	2	0	21	66	560	5	654	171	483
\$100,000 - \$200,000	0	2	48	107	723	9	889	255	634
\$200,000 - \$500,000	1	1	51	89	483	4	629	179	450
\$500,000 and over	0	6	95	106	422	11	640	194	446
Total Taxable	59	9	502	906	12,384	87	13,947	2,398	11,549
Grand Total <u>a/</u>	59	9	502	1,406	12,384	87	14,447	3,318	11,129
C. Percent Distribution of Dollar Amounts									
Nontaxable Returns	0.0	0.0	0.0	48.0	0.0	0.0	19.9	15.3	20.0
Taxable Returns									
Under \$ 2,000	9.1	0.0	**	0.2	0.3	0.0	0.2	0.8	0.2
\$ 2,000 - \$ 10,000	36.4	0.0	0.3	0.3	2.4	0.0	1.3	3.2	1.2
\$ 10,000 - \$ 25,000	9.1	0.0	1.4	0.7	4.0	0.4	2.3	4.1	2.3
\$ 25,000 - \$ 50,000	**	0.0	1.9	1.4	5.2	1.2	3.2	8.6	3.1
\$ 50,000 - \$ 75,000	0.0	0.0	1.4	0.6	3.6	1.8	2.1	2.7	2.1
\$ 75,000 - \$100,000	**	0.0	1.2	0.6	3.2	1.0	1.9	4.5	1.8
\$100,000 - \$200,000	0.0	**	2.4	2.1	6.2	5.0	4.2	7.6	4.1
\$200,000 - \$500,000	45.5	2.5	6.9	4.6	7.0	4.2	5.9	11.5	5.7
\$500,000 and over	0.0	97.5	84.5	41.5	68.1	86.5	59.0	41.8	59.6
Total Taxable	100.0	100.0	100.0	52.0	100.0	100.0	80.1	84.7	80.0
Grand Total <u>a/</u>	100.0	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	0.0	35.6	0.0	0.0	3.5	27.7	- 3.8
Taxable Returns									
Under \$ 2,000	33.9	0.0	2.0	1.4	10.2	0.0	9.1	2.4	11.1
\$ 2,000 - \$ 10,000	33.9	0.0	10.0	11.4	24.2	0.0	22.4	8.4	26.5
\$ 10,000 - \$ 25,000	20.3	0.0	18.7	7.7	22.1	32.2	20.6	14.8	22.3
\$ 25,000 - \$ 50,000	6.8	0.0	16.7	10.7	17.6	23.0	16.9	14.7	17.6
\$ 50,000 - \$ 75,000	0.0	0.0	9.8	7.1	8.2	11.5	8.2	7.8	8.3
\$ 75,000 - \$100,000	3.4	0.0	4.2	4.7	4.5	5.7	4.5	5.2	4.3
\$100,000 - \$200,000	0.0	22.2	9.6	7.6	5.8	10.3	6.2	7.7	5.7
\$200,000 - \$500,000	1.7	11.1	10.2	6.3	3.9	4.6	4.4	5.4	4.0
\$500,000 and over	0.0	66.7	18.9	7.5	3.4	12.6	4.4	5.8	4.0
Total Taxable	100.0	100.0	100.0	64.4	100.0	100.0	96.5	72.3	103.8
Grand Total <u>a/</u>	100.0	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 N

Distribution of Returns by Income and Asset Size
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1985

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	17,041	9,550	6,060	960	33,611
Taxable Returns					
Under \$ 2,000	2,300	730	450	30	3,510
\$ 2,000 - \$ 10,000	3,060	1,696	610	60	5,426
\$ 10,000 - \$ 25,000	1,728	1,979	526	72	4,305
\$ 25,000 - \$ 50,000	668	1,938	456	88	3,150
\$ 50,000 - \$ 75,000	117	873	342	54	1,386
\$ 75,000 - \$100,000	20	425	273	47	765
\$100,000 - \$200,000	26	371	530	112	1,039
\$200,000 - \$500,000	13	75	458	142	688
\$500,000 and over	11	4	323	236	574
Total Taxable	7,943	8,091	3,968	841	20,843
Total Returns	24,984	17,641	10,028	1,801	54,454
B. Percent Distribution by Size					
Nontaxable Returns	50.7	28.4	18.0	2.9	100.0
Taxable Returns					
Under \$ 2,000	65.5	20.8	12.8	0.9	100.0
\$ 2,000 - \$ 10,000	56.4	31.3	11.2	1.1	100.0
\$ 10,000 - \$ 25,000	40.1	46.0	12.2	1.7	100.0
\$ 25,000 - \$ 50,000	21.2	61.5	14.5	2.8	100.0
\$ 50,000 - \$ 75,000	8.4	63.0	24.7	3.9	100.0
\$ 75,000 - \$100,000	2.6	55.6	35.7	6.1	100.0
\$100,000 - \$200,000	2.5	35.7	51.0	10.8	100.0
\$200,000 - \$500,000	1.9	10.9	66.6	20.6	100.0
\$500,000 and over	1.9	0.7	56.3	41.1	100.0
Total Taxable	38.1	38.8	19.0	4.0	100.0
Total Returns	45.9	32.4	18.4	3.3	100.0

Table O

Distribution of Returns by Income and Industry
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1985

<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	3,260	5,200	3,060	5,960	16,131	33,611
Taxable Returns						
Under \$ 2,000	200	320	230	490	2,270	3,510
\$ 2,000 - \$ 10,000	346	510	310	1,120	3,140	5,426
\$ 10,000 - \$ 25,000	212	534	388	1,118	2,054	4,306
\$ 25,000 - \$ 50,000	152	378	260	940	1,420	3,150
\$ 50,000 - \$ 75,000	92	198	189	429	480	1,388
\$ 75,000 - \$100,000	53	119	129	239	226	766
\$100,000 - \$200,000	75	150	203	315	298	1,041
\$200,000 - \$500,000	40	74	182	204	188	688
\$500,000 and over	42	74	192	125	141	574
Total Taxable	<u>1,212</u>	<u>2,357</u>	<u>2,083</u>	<u>4,980</u>	<u>10,217</u>	<u>20,849</u>
Total Returns	4,472	7,557	5,143	10,940	26,348	54,460
B. Percent Distribution by Industry						
Nontaxable Returns	9.7	15.5	9.1	17.7	48.0	100.0
Taxable Returns						
Under \$ 2,000	5.7	9.1	6.6	14.0	64.7	100.0
\$ 2,000 - \$ 10,000	6.4	9.4	5.7	20.6	57.9	100.0
\$ 10,000 - \$ 25,000	4.9	12.4	9.0	26.0	47.7	100.0
\$ 25,000 - \$ 50,000	4.8	12.0	8.3	29.8	45.1	100.0
\$ 50,000 - \$ 75,000	6.6	14.3	13.6	30.9	34.6	100.0
\$ 75,000 - \$100,000	6.9	15.5	16.8	31.2	29.5	100.0
\$100,000 - \$200,000	7.2	14.4	19.5	30.3	28.6	100.0
\$200,000 - \$500,000	5.8	10.8	26.5	29.7	27.3	100.0
\$500,000 and over	7.3	12.9	33.4	21.8	24.6	100.0
Total Taxable	<u>5.8</u>	<u>11.3</u>	<u>10.0</u>	<u>23.9</u>	<u>49.0</u>	<u>100.0</u>
Total Returns	8.2	13.9	9.4	20.1	48.4	100.0

the returns. In contrast, the agricultural and mining categories were quantitatively 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 14% and 9% of the returns respectively.

Table P 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 three-fifths of the taxable returns and one-fifth of the tax liability, whereas for the interstate firms represented nearly two-thirds of the returns but only 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 9% of the interstate returns were in the top category and represented over four-fifths of the interstate tax.

Table P

Distribution of Intrastate and Interstate Returns
By Taxable Income Classes
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1985

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	27,721	\$ 0	\$ 463	-\$ 463	5,890	\$ 0	\$ 5,247	-\$ 5,247
Taxable Returns								
Under \$ 2,000	2,770	\$ 122	\$ 34	\$ 88	740	\$ 32	\$ 19	\$ 13
\$ 2,000 - \$ 10,000	4,540	1,247	315	932	886	234	40	194
\$ 10,000 - \$ 25,000	3,712	3,111	520	2,591	593	478	125	353
\$ 25,000 - \$ 50,000	2,700	4,789	685	4,104	449	828	189	639
\$ 50,000 - \$ 75,000	1,156	3,481	489	2,992	229	701	105	596
\$ 75,000 - \$100,000	587	2,533	387	2,146	177	758	128	630
\$100,000 - \$200,000	708	4,803	795	4,008	330	2,315	362	1,953
\$200,000 - \$500,000	373	5,635	733	4,902	315	5,338	903	4,135
\$500,000 and over	201	15,834	1,230	14,604	373	63,886	15,775	48,111
Total Taxable	16,747	\$41,555	\$5,188	\$36,367	4,092	\$74,270	\$17,646	\$56,624
Total Returns	44,468	\$41,555	\$5,651	\$35,904	9,982	\$74,270	\$22,893	\$51,377
B. Percent Distribution of Taxable Returns								
Taxable Returns								
Under \$ 2,000	16.5	0.3	0.7	0.2	18.1	**	0.1	**
\$ 2,000 - \$ 10,000	27.1	3.0	6.1	2.6	21.7	0.3	0.2	0.3
\$ 10,000 - \$ 25,000	22.2	7.5	10.0	7.1	14.5	0.6	0.7	0.6
\$ 25,000 - \$ 50,000	16.1	11.5	13.2	11.3	11.0	1.1	1.1	1.1
\$ 50,000 - \$ 75,000	6.9	8.4	9.4	8.2	5.6	0.9	0.6	1.1
\$ 75,000 - \$100,000	3.5	6.1	7.5	5.9	4.3	1.0	0.7	1.1
\$100,000 - \$200,000	4.2	11.6	15.3	11.0	8.1	3.1	2.1	3.4
\$200,000 - \$500,000	2.2	13.6	14.1	13.5	7.7	7.2	5.1	7.3
\$500,000 and over	1.2	38.1	23.7	40.2	9.1	86.0	89.4	85.0
Total Taxable	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

** Less than 0.1 percent.

Apportionment of Federal Taxable Income

Table Q 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.

Although the number of firms using the two-factor formula was less than one-half of the formula returns, their tax liability of \$39.1 million was 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 \$28.8 million or two-fifths of the tax. Among the taxable firms using the two-factor formula almost 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 nearly nine-tenths of the tax liability for two-factor firms.

In the case of the three-factor firms, the top 9% of the firms accounted for almost four-fifths of the tax liability, and the two-thirds with less than \$50,000 taxable income accounted for over 3% of the multistate three-factor tax liability.

Table Q

Distribution of Two-Factor and Three-Factor Returns
By Taxable Income Classes
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1985

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	2,780	\$ 0	\$ 2,709	-\$ 2,709	3,070	\$ 0	\$2,538	-\$ 2,538
Taxable Returns								
Under \$ 2,000	320	\$ 13	-\$ 2	\$ 15	410	\$ 18	\$ 2	\$ 16
\$ 2,000 - \$ 10,000	400	96	18	78	476	132	22	110
\$ 10,000 - \$ 25,000	252	210	68	142	329	258	57	201
\$ 25,000 - \$ 50,000	158	274	54	220	288	545	135	410
\$ 50,000 - \$ 75,000	88	271	56	215	140	425	49	376
\$ 75,000 - \$ 100,000	77	331	88	243	99	420	40	380
\$ 100,000 - \$ 200,000	118	845	194	651	211	1,460	168	1,292
\$ 200,000 - \$ 500,000	122	1,966	406	1,560	190	3,025	493	2,532
\$ 500,000 and over	142	35,095	11,133	23,962	219	22,558	3,827	18,731
Total Taxable	1,677	\$39,101	\$12,015	\$27,086	2,362	\$28,841	\$4,793	\$24,048
Total Returns	4,457	\$39,101	\$14,724	\$24,377	5,432	\$28,841	\$7,331	\$21,510
B. Percent Distribution of Taxable Returns								
Taxable Returns								
Under \$ 2,000	19.1	**	**	0.1	17.4	0.1	**	0.1
\$ 2,000 - \$ 10,000	23.9	0.2	0.1	0.3	20.2	0.5	0.5	0.5
\$ 10,000 - \$ 25,000	15.0	0.5	0.6	0.5	13.9	0.9	1.2	0.8
\$ 25,000 - \$ 50,000	9.4	0.7	0.4	0.8	12.2	1.9	2.8	1.7
\$ 50,000 - \$ 75,000	5.2	0.7	0.5	0.8	5.9	1.5	1.0	1.6
\$ 75,000 - \$ 100,000	4.6	0.8	0.7	0.9	4.2	1.5	0.8	1.6
\$ 100,000 - \$ 200,000	7.0	2.2	1.6	2.4	8.9	5.1	3.5	5.4
\$ 200,000 - \$ 500,000	7.3	5.0	3.4	5.8	8.0	10.5	10.3	10.5
\$ 500,000 and over	8.5	89.8	92.7	88.5	9.3	78.2	79.8	77.9
Total Taxable	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

** Less than 0.1 percent.

Table R shows the relative significance of the revenue, property and payroll factors in the apportionment of the 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 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 was more important accounting for nearly three-fifths of the apportioned income. In the case of the multistate nontaxable firms, the property factor was the most significant representing over two-fifths of the factors. On a combined basis, the revenue and property factors were nearly equal at about two-fifths each while the payroll factor, again was the least important in the apportionment of income.

Table R

Modified Federal Taxable Income
 Apportioned to Colorado by Formulas and Factors
 Colorado Corporate Income Tax Returns
 Filed in Fiscal Year 1985

	<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	\$ 317.9	39.8	-\$ 283.5	58.4
Property Factor	<u>480.9</u>	<u>60.2</u>	<u>- 202.3</u>	<u>41.6</u>
Total Income Apportioned	\$ 798.8	100.0	-\$ 485.8	100.0
<u>Multistate Three-Factor Formula</u>				
Income apportioned by:				
Revenue Factor	\$ 233.2	38.6	-\$ 187.2	29.0
Property Factor	197.2	32.7	- 177.1	27.4
Payroll Factor	<u>173.5</u>	<u>28.7</u>	<u>- 281.1</u>	<u>43.6</u>
Total Income Apportioned	\$ 603.9	100.0	-\$ 645.4	100.0
<u>Combined Formulas</u>				
Income apportioned by:				
Revenue Factor	\$ 551.1	39.3	-\$ 470.7	38.1
Property Factor	678.1	48.3	- 483.4	39.1
Payroll Factor	<u>173.5</u>	<u>12.4</u>	<u>- 281.1</u>	<u>22.8</u>
Total Income Apportioned	\$1,402.7	100.0	-\$1,235.2	100.0

Derivation of Taxable Income

The derivation of Colorado taxable income is presented in Table S 4/. Firms with positive Colorado taxable income reported federal taxable income (profits) of \$111.4 billion on their overall company operations. Adjustments for differences between federal and state tax law reduced this amount to \$96.5 billion. Interstate firms accounted for over 98% of these modified profits.

The income apportioned and allocated to Colorado by the interstate firms amounted to \$1.6 billion or less than 2% of their total modified federal income. For the intrastate firms, the \$893 million of modified federal taxable income is the same as the income reported to Colorado. This amounted to 58% of that reported by the interstate firms. The total taxable income subject to Colorado tax adjusted for operating loss deductions of \$123 million from previous years amounted to nearly \$2.3 billion or slightly over 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 \$78.4 billion which when modified for tax code differences amounted to \$76.6 billion. Over 98% of this negative federal taxable income was accounted for by interstate firms which attributed \$1.1 billion or 1.3% of their losses to Colorado. For the intrastate firms, the Colorado losses amounted to \$1.3 billion or 13% greater than that reported by the interstate firms. This is in sharp contrast to the 1984 study when the intrastate losses were 44% of that reported by the interstate firms.

In addition, the nontaxable firms reported Colorado operating loss carryovers of \$3.3 billion resulting in a total negative Colorado taxable income of \$5.7 billion or over 7% of their total negative federal taxable income.

Table S

Derivation of Colorado Taxable Income
Colorado Corporate Income Tax Returns
Filed in Fiscal Year 1985

	Taxable Returns		Nontaxable Returns	
	\$ Millions	Percent Dist.	\$ Millions	Percent Dist.
Reported Federal Taxable Income (FTI)	\$111,414	100.0	-\$78,405	100.0
Less: Colorado Modifications	14,903	13.4	1,768	2.2
Modified Federal Taxable Income	\$ 96,511	86.6	-\$76,637	97.8
<u>Interstate Firms:</u>				
Modified Federal Taxable Income	\$ 94,916	85.2	-\$75,546	96.4
Modified FTI Subject to Apportionment	92,154	82.7	- 88,077	112.3
Modified FTI Apportioned to Colorado	\$ 1,567	1.4	-\$ 1,138	1.5
Other Income Allocated to Colorado ^{a/}	16	*	3	*
Colorado Taxable Income Before OLD	\$ 1,551	1.4	-\$ 1,141	1.5
<u>Intrastate Firms:</u>				
Modified Federal Taxable Income	\$ 893	.8	-\$ 1,299	1.7
Colorado Taxable Income Before OLD	893	.8	- 1,299	1.7
Total Colorado Taxable Income Before OLD	\$ 2,444	2.2	-\$ 2,440	3.1
Less: Colorado Operating Loss Deduction (OLD)	123	.1	3,299	4.2
Colorado Taxable Income	\$ 2,321	2.1	-\$ 5,738	7.3

^{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.
- 2/ See Appendix A, page 101 for a summary of the tax credit provisions.
- 3/ See Appendix A, page 91 for a summary of the apportionment of income provisions.
- 4/ See Appendix A, page 90 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 1985

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	33,611	-\$ 78,405,345	-\$5,737,839	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	3,510	\$ 479,145	\$ 3,105	\$ 154
\$ 2,000 - \$ 10,000	5,426	2,241,164	29,987	1,480
\$ 10,000 - \$ 25,000	4,305	2,446,125	72,514	3,589
\$ 25,000 - \$ 50,000	3,149	10,093,004	113,261	5,617
\$ 50,000 - \$ 75,000	1,385	1,731,428	84,332	4,182
\$ 75,000 - \$100,000	763	1,372,018	66,232	3,291
\$100,000 - \$200,000	1,038	5,615,238	142,823	7,118
\$200,000 - \$500,000	688	15,571,183	213,825	10,673
\$500,000 and over	574	71,864,676	1,594,763	79,720
TOTAL TAXABLE	20,838	\$111,413,981	\$2,320,842	\$115,824
GRAND TOTAL	54,449	\$ 33,008,636	-\$3,417,000	\$115,825
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	16.84	0.43	0.13	0.13
\$ 2,000 - \$ 10,000	26.04	2.01	1.29	1.28
\$ 10,000 - \$ 25,000	20.66	2.20	3.12	3.10
\$ 25,000 - \$ 50,000	15.11	9.06	4.88	4.85
\$ 50,000 - \$ 75,000	6.65	1.55	3.63	3.61
\$ 75,000 - \$100,000	3.66	1.23	2.85	2.84
\$100,000 - \$200,000	4.98	5.04	6.15	6.15
\$200,000 - \$500,000	3.30	13.98	9.21	9.21
\$500,000 and over	2.75	64.50	68.71	68.83
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 1985

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	27,721	-\$2,502,994	-\$3,199,555	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	2,770	\$ 2,473	\$ 2,470	\$ 122
\$ 2,000 - \$ 10,000	4,540	25,555	25,252	1,247
\$ 10,000 - \$ 25,000	3,712	62,611	62,807	3,112
\$ 25,000 - \$ 50,000	2,700	95,727	96,590	4,789
\$ 50,000 - \$ 75,000	1,156	71,387	70,168	3,481
\$ 75,000 - \$100,000	587	51,481	50,935	2,533
\$100,000 - \$200,000	708	98,596	96,335	4,803
\$200,000 - \$500,000	373	205,795	112,841	5,635
\$500,000 and over	201	830,322	316,805	15,834
TOTAL TAXABLE	16,747	\$1,443,947	\$ 834,203	\$41,556
GRAND TOTAL	44,468	-\$1,059,049	-\$2,365,353	\$41,555
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	16.54	0.17	0.30	0.29
\$ 2,000 - \$ 10,000	27.11	1.77	3.03	3.00
\$ 10,000 - \$ 25,000	22.17	4.34	7.53	7.49
\$ 25,000 - \$ 50,000	16.12	6.63	11.58	11.52
\$ 50,000 - \$ 75,000	6.90	4.94	8.41	8.38
\$ 75,000 - \$100,000	3.51	3.57	6.11	6.10
\$100,000 - \$200,000	4.23	6.83	11.55	11.56
\$200,000 - \$500,000	2.23	14.25	13.53	13.56
\$500,000 and over	1.20	57.50	37.98	38.10
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 1985

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	5,890	-\$ 75,902,351	-\$2,538,284	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	740	\$ 476,672	\$ 635	\$ 32
\$ 2,000 - \$ 10,000	886	2,215,609	4,735	234
\$ 10,000 - \$ 25,000	593	2,383,515	9,707	478
\$ 25,000 - \$ 50,000	449	9,997,278	16,671	828
\$ 50,000 - \$ 75,000	229	1,660,041	14,164	701
\$ 75,000 - \$100,000	177	1,320,537	15,297	758
\$100,000 - \$200,000	330	5,516,642	46,488	2,315
\$200,000 - \$500,000	315	15,365,387	100,984	5,038
\$500,000 and over	373	71,034,354	1,277,957	63,886
TOTAL TAXABLE	4,092	\$109,970,035	\$1,486,638	\$74,270
GRAND TOTAL	9,982	\$ 34,067,684	-\$1,051,647	\$74,270
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	18.08	0.43	0.04	0.04
\$ 2,000 - \$ 10,000	21.65	2.01	0.32	0.32
\$ 10,000 - \$ 25,000	14.49	2.17	0.65	0.64
\$ 25,000 - \$ 50,000	10.97	9.09	1.12	1.11
\$ 50,000 - \$ 75,000	5.60	1.51	0.95	0.94
\$ 75,000 - \$100,000	4.33	1.20	1.03	1.02
\$100,000 - \$200,000	8.06	5.02	3.13	3.12
\$200,000 - \$500,000	7.70	13.97	6.79	6.78
\$500,000 and over	9.12	64.59	85.96	86.02
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 1985

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	27,401	-\$6,791,781	-\$3,929,876	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	2,730	\$ 3,930	\$ 2,460	\$ 122
\$ 2,000 - \$ 10,000	4,540	32,223	25,255	1,247
\$ 10,000 - \$ 25,000	3,700	128,671	62,597	3,100
\$ 25,000 - \$ 50,000	2,712	99,433	96,993	4,808
\$ 50,000 - \$ 75,000	1,142	69,053	69,420	3,445
\$ 75,000 - \$100,000	609	64,242	52,915	2,631
\$100,000 - \$200,000	732	447,230	99,256	4,950
\$200,000 - \$500,000	404	348,760	124,043	6,193
\$500,000 and over	251	2,489,868	704,861	35,235
TOTAL TAXABLE	16,820	\$3,683,410	\$1,237,800	\$61,731
GRAND TOTAL	44,220	-\$3,108,370	-\$2,692,076	\$61,732
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	16.23	0.11	0.20	0.20
\$ 2,000 - \$ 10,000	26.99	0.87	2.04	2.02
\$ 10,000 - \$ 25,000	22.00	3.49	5.06	5.02
\$ 25,000 - \$ 50,000	16.12	2.70	7.84	7.79
\$ 50,000 - \$ 75,000	6.79	1.87	5.61	5.58
\$ 75,000 - \$100,000	3.62	1.74	4.27	4.26
\$100,000 - \$200,000	4.35	12.14	8.02	8.02
\$200,000 - \$500,000	2.40	9.47	10.02	10.03
\$500,000 and over	1.49	67.60	56.94	57.08
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 1985

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	26,021	-\$1,984,560	-\$2,601,714	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	2,660	\$ 2,384	\$ 2,386	\$ 118
\$ 2,000 - \$ 10,000	4,400	24,766	24,395	1,205
\$ 10,000 - \$ 25,000	3,586	59,196	60,625	3,002
\$ 25,000 - \$ 50,000	2,598	92,078	92,797	4,602
\$ 50,000 - \$ 75,000	1,094	63,900	66,410	3,295
\$ 75,000 - \$100,000	561	48,009	48,664	2,421
\$100,000 - \$200,000	647	87,822	87,718	4,375
\$200,000 - \$500,000	327	106,418	98,688	4,928
\$500,000 and over	161	238,393	245,864	12,289
TOTAL TAXABLE	16,034	\$ 722,966	\$ 727,547	\$36,235
GRAND TOTAL	42,055	-\$1,261,594	-\$1,874,168	\$36,236
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	16.59	0.33	0.33	0.33
\$ 2,000 - \$ 10,000	27.44	3.43	3.35	3.33
\$ 10,000 - \$ 25,000	22.36	8.19	8.33	8.28
\$ 25,000 - \$ 50,000	16.20	12.74	12.75	12.70
\$ 50,000 - \$ 75,000	6.82	8.84	9.13	9.09
\$ 75,000 - \$100,000	3.50	6.64	6.69	6.68
\$100,000 - \$200,000	4.04	12.15	12.06	12.07
\$200,000 - \$500,000	2.04	14.72	13.56	13.60
\$500,000 and over	1.00	32.97	33.79	33.91
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 1985

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	1,380	-\$4,807,221	-\$1,328,162	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	70	\$ 1,546	\$ 74	\$ 4
\$ 2,000 - \$ 10,000	140	7,457	860	42
\$ 10,000 - \$ 25,000	114	69,475	1,972	98
\$ 25,000 - \$ 50,000	114	7,355	4,197	206
\$ 50,000 - \$ 75,000	48	5,154	3,011	151
\$ 75,000 - \$100,000	48	16,233	4,252	210
\$100,000 - \$200,000	85	359,408	11,538	575
\$200,000 - \$500,000	77	242,342	25,355	1,265
\$500,000 and over	90	2,251,476	458,997	22,946
TOTAL TAXABLE	786	\$2,960,446	\$ 510,256	\$25,497
GRAND TOTAL	2,165	-\$1,846,776	-\$ 817,908	\$25,496
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	8.91	0.05	0.01	0.02
\$ 2,000 - \$ 10,000	17.81	0.25	0.17	0.16
\$ 10,000 - \$ 25,000	14.50	2.35	0.39	0.38
\$ 25,000 - \$ 50,000	14.50	0.25	0.82	0.81
\$ 50,000 - \$ 75,000	6.11	0.17	0.59	0.59
\$ 75,000 - \$100,000	6.11	0.55	0.83	0.82
\$100,000 - \$200,000	10.81	12.14	2.26	2.26
\$200,000 - \$500,000	9.80	8.19	4.97	4.96
\$500,000 and over	11.45	76.05	89.95	89.99
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 1985

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	6,210	-\$ 71,613,563	-\$1,807,963	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	780	\$ 475,214	\$ 645	\$ 32
\$ 2,000 - \$ 10,000	886	2,208,940	4,732	233
\$ 10,000 - \$ 25,000	605	2,317,454	9,916	490
\$ 25,000 - \$ 50,000	438	9,993,571	16,267	809
\$ 50,000 - \$ 75,000	244	1,662,375	14,912	736
\$ 75,000 - \$100,000	154	1,307,776	13,316	660
\$100,000 - \$200,000	307	5,168,008	43,567	2,168
\$200,000 - \$500,000	284	15,222,423	89,782	4,480
\$500,000 and over	323	69,374,808	889,902	44,485
TOTAL TAXABLE	4,021	\$107,730,569	\$1,083,039	\$54,093
GRAND TOTAL	10,230	\$ 36,117,006	-\$ 724,924	\$54,093
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	19.40	0.44	0.06	0.06
\$ 2,000 - \$ 10,000	22.03	2.05	0.44	0.43
\$ 10,000 - \$ 25,000	15.05	2.15	0.92	0.91
\$ 25,000 - \$ 50,000	10.89	9.28	1.50	1.50
\$ 50,000 - \$ 75,000	6.07	1.54	1.38	1.36
\$ 75,000 - \$100,000	3.83	1.21	1.23	1.22
\$100,000 - \$200,000	7.63	4.80	4.02	4.01
\$200,000 - \$500,000	7.06	14.13	8.29	8.28
\$500,000 and over	8.03	64.40	82.17	82.24
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 1985

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	1,700	-\$518,434	-\$597,842	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	110	\$ 88	\$ 84	\$ 4
\$ 2,000 - \$ 10,000	140	789	857	42
\$ 10,000 - \$ 25,000	126	3,414	2,182	109
\$ 25,000 - \$ 50,000	102	3,648	3,793	187
\$ 50,000 - \$ 75,000	62	7,487	3,758	186
\$ 75,000 - \$100,000	26	3,472	2,271	112
\$100,000 - \$200,000	62	10,775	8,617	427
\$200,000 - \$500,000	46	99,377	14,153	707
\$500,000 and over	40	591,929	70,942	3,546
TOTAL TAXABLE	714	\$720,979	\$106,657	\$5,320
GRAND TOTAL	2,413	\$202,546	-\$491,185	\$5,319
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	15.41	0.01	0.08	0.08
\$ 2,000 - \$ 10,000	19.61	0.11	0.80	0.79
\$ 10,000 - \$ 25,000	17.65	0.47	2.05	2.05
\$ 25,000 - \$ 50,000	14.29	0.51	3.56	3.52
\$ 50,000 - \$ 75,000	8.68	1.04	3.52	3.50
\$ 75,000 - \$100,000	3.64	0.48	2.13	2.11
\$100,000 - \$200,000	8.68	1.49	8.08	8.03
\$200,000 - \$500,000	6.44	13.78	13.27	13.29
\$500,000 and over	5.60	82.10	66.51	66.65
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 1985

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	4,510	-\$ 71,095,129	-\$1,210,121	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	670	\$ 475,126	\$ 561	\$ 28
\$ 2,000 - \$ 10,000	746	2,208,152	3,875	191
\$ 10,000 - \$ 25,000	479	2,314,040	7,734	381
\$ 25,000 - \$ 50,000	336	9,989,923	12,474	622
\$ 50,000 - \$ 75,000	182	1,654,887	11,153	550
\$ 75,000 - \$100,000	129	1,304,304	11,045	548
\$100,000 - \$200,000	245	5,157,234	34,950	1,741
\$200,000 - \$500,000	238	15,123,046	75,629	3,773
\$500,000 and over	283	68,782,878	818,961	40,939
TOTAL TAXABLE	3,308	\$107,009,590	\$ 976,382	\$48,773
GRAND TOTAL	7,817	\$ 35,914,460	-\$ 233,739	\$48,774
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	20.25	0.44	0.06	0.06
\$ 2,000 - \$ 10,000	22.55	2.06	0.40	0.39
\$ 10,000 - \$ 25,000	14.48	2.16	0.79	0.78
\$ 25,000 - \$ 50,000	10.16	9.34	1.28	1.28
\$ 50,000 - \$ 75,000	5.50	1.55	1.14	1.13
\$ 75,000 - \$100,000	3.90	1.22	1.13	1.12
\$100,000 - \$200,000	7.41	4.82	3.58	3.57
\$200,000 - \$500,000	7.19	14.13	7.75	7.74
\$500,000 and over	8.56	64.28	83.88	83.94
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 1985

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	2,780	-\$66,897,315	-\$989,372	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	320	\$ 116,638	\$ 261	\$ 13
\$ 2,000 - \$ 10,000	400	495,156	1,950	96
\$ 10,000 - \$ 25,000	252	1,237,228	4,235	210
\$ 25,000 - \$ 50,000	158	448,221	5,533	274
\$ 50,000 - \$ 75,000	88	459,567	5,415	271
\$ 75,000 - \$100,000	77	333,279	6,671	331
\$100,000 - \$200,000	118	669,537	16,994	845
\$200,000 - \$500,000	122	8,011,812	39,456	1,966
\$500,000 and over	142	25,681,978	701,965	35,095
TOTAL TAXABLE	1,677	\$37,453,416	\$782,480	\$39,101
GRAND TOTAL	4,456	-\$29,443,899	-\$206,892	\$39,100
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	19.08	0.31	0.03	0.03
\$ 2,000 - \$ 10,000	23.85	1.32	0.25	0.25
\$ 10,000 - \$ 25,000	15.03	3.30	0.54	0.54
\$ 25,000 - \$ 50,000	9.42	1.20	0.71	0.70
\$ 50,000 - \$ 75,000	5.25	1.23	0.69	0.69
\$ 75,000 - \$100,000	4.59	0.89	0.85	0.85
\$100,000 - \$200,000	7.04	1.79	2.17	2.16
\$200,000 - \$500,000	7.27	21.39	5.04	5.03
\$500,000 and over	8.47	68.57	89.71	89.75
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 1985

Colorado Taxable Income Classes	Number of Returns	Federal Taxable Income	Colorado Taxable Income	Colorado Tax Liability
A. Dollar Amounts in Thousands				
NONTAXABLE RETURNS	40	-\$ 45,466	-\$ 5,855	\$ 0
TAXABLE RETURNS				
Under \$ 2,000	10	\$ 40,533	\$ 13	\$ 1
\$ 2,000 - \$ 10,000	10	2,063	96	5
\$ 10,000 - \$ 25,000	12	206,311	198	10
\$ 25,000 - \$ 50,000	4	7,837,835	174	9
\$ 50,000 - \$ 75,000	2	7,308	106	5
\$ 75,000 - \$100,000	2	49,989	148	7
\$100,000 - \$200,000	2	192	202	10
\$200,000 - \$500,000	3	114,439	944	47
\$500,000 and over	12	9,281,648	124,645	6,233
TOTAL TAXABLE	57	\$17,540,318	\$126,526	\$6,327
GRAND TOTAL	96	\$17,494,852	\$120,670	\$6,327
B. Percentage Distribution of Taxable Returns				
TAXABLE RETURNS				
Under \$ 2,000	17.54	0.23	0.01	0.02
\$ 2,000 - \$ 10,000	17.54	0.01	0.08	0.08
\$ 10,000 - \$ 25,000	21.05	1.18	0.16	0.16
\$ 25,000 - \$ 50,000	7.02	44.68	0.14	0.14
\$ 50,000 - \$ 75,000	3.51	0.04	0.08	0.08
\$ 75,000 - \$100,000	3.51	0.28	0.12	0.11
\$100,000 - \$200,000	3.51	*	0.16	0.16
\$200,000 - \$500,000	5.26	0.65	0.75	0.74
\$500,000 and over	21.05	52.92	98.51	98.51
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 1985

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									
										33,611	9,141	6,990	5,960	1,380	1,911	10,939	10,320	16,026	54,460
TAXABLE RETURNS	110	90	200	230	120	490	760	1,510	3,510										
\$ 2,000	140	206	440	310	70	1,120	930	2,210	5,426										
\$ 10,000	132	80	424	388	110	1,118	572	1,482	4,306										
\$ 25,000	80	72	316	260	62	940	498	922	3,150										
\$ 50,000	80	72	316	260	62	940	498	922	3,150										
\$ 75,000	55	37	172	189	26	429	162	318	1,388										
\$ 100,000	29	24	89	129	30	239	83	143	766										
\$ 200,000	36	39	102	203	48	315	131	167	1,041										
\$ 500,000	16	24	50	182	24	204	107	81	688										
\$500,000 and over	7	35	32	192	42	125	88	53	574										
TOTAL TAXABLE	605	607	1,825	2,083	532	4,980	3,331	6,886	20,849										
GRAND TOTAL	1,645	2,825	5,645	5,142	1,911	10,939	10,320	16,026	54,460										
										B. Percentage Distribution by Income Class									
NONTAXABLE RETURNS	63.22	78.58	67.67	59.51	72.21	54.48	67.73	57.04	61.73										
TAXABLE RETURNS	6.69	3.19	3.54	4.47	6.28	4.48	7.36	9.42	6.45										
\$ 2,000	8.51	7.29	7.79	6.03	3.66	10.24	9.01	13.79	9.97										
\$ 10,000	8.02	2.83	7.51	7.55	5.76	10.22	5.54	9.25	7.91										
\$ 25,000	4.86	2.55	5.60	5.06	3.24	8.59	4.83	5.75	5.79										
\$ 50,000	3.34	1.31	3.05	3.68	1.36	3.92	1.57	1.98	2.55										
\$ 75,000	1.76	0.85	1.58	2.51	1.57	2.18	0.80	0.89	1.41										
\$ 100,000	2.19	1.38	1.81	3.95	2.51	1.88	1.27	1.04	1.91										
\$ 200,000	0.97	0.85	0.89	3.54	1.26	1.86	1.04	0.51	1.26										
\$500,000 and over	0.43	1.24	0.57	3.73	2.20	1.14	0.85	0.33	1.05										
TOTAL TAXABLE	36.78	21.49	32.33	40.51	27.84	45.53	32.28	42.97	38.29										
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	3.09	6.60	11.37	9.10	4.11	17.73	20.80	27.20	100.00										
TAXABLE RETURNS	3.13	2.56	5.70	6.55	3.42	13.96	21.65	43.02	100.00										
\$ 2,000	2.58	3.80	8.11	5.71	1.29	20.64	17.14	40.73	100.00										
\$ 10,000	3.07	1.86	9.85	9.01	2.55	25.96	13.28	34.42	100.00										
\$ 25,000	2.54	2.29	8.03	8.25	1.97	29.84	15.81	29.27	100.00										
\$ 50,000	3.96	2.67	12.39	13.62	1.87	30.91	11.67	22.91	100.00										
\$ 75,000	3.79	3.13	11.62	16.84	3.92	31.20	10.84	18.67	100.00										
\$ 100,000	3.46	3.75	9.80	19.50	4.61	30.26	12.58	16.04	100.00										
\$ 200,000	2.33	3.49	7.27	26.45	3.49	29.65	15.55	11.77	100.00										
\$500,000 and over	1.22	6.10	5.57	33.45	7.32	21.78	15.33	9.23	100.00										
TOTAL TAXABLE	2.90	2.91	8.75	9.99	2.55	23.89	15.98	33.03	100.00										
GRAND TOTAL	3.02	5.19	10.37	9.44	3.51	20.09	18.95	29.43	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 1985

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	\$1,519	\$266,179	\$14,984	\$ 294,749	\$1,391,099	\$191,550	\$ 94,958	\$ 10,576	\$2,265,614
TAXABLE RETURNS									
Under \$ 2,000	\$ 59	\$ 2,368	\$ 141	\$ 7,068	\$ 454	\$ 1,228	\$ 88,562	\$ 2,046	\$ 101,926
\$ 2,000 - \$ 10,000	96	1,685	751	4,929	55	7,479	2,516	5,830	23,341
\$ 10,000 - \$ 25,000	59	127	243	15,739	10,575	5,773	1,987	208,603	243,106
\$ 25,000 - \$ 50,000	54	1,022	199	6,451	1,796	1,695	203,564	3,400	218,181
\$ 50,000 - \$ 75,000	551	6,944	158	17,302	236	3,388	2,154	2,880	33,613
\$ 75,000 - \$100,000	50	1,543	110	10,065	4,108	2,748	53,652	1,416	73,692
\$100,000 - \$200,000	69	927	259	31,347	17,904	12,059	15,831	5,260	83,656
\$200,000 - \$500,000	42	6,463	610	201,177	13,565	11,348	94,987	3,859	332,051
\$500,000 and over	626	100,530	4,698	466,963	54,229	163,065	89,150	14,860	894,121
TOTAL TAXABLE	\$1,606	\$121,609	\$ 7,169	\$ 761,041	\$ 102,922	\$208,783	\$552,403	\$248,154	\$2,003,687
GRAND TOTAL	\$3,124	\$387,787	\$22,153	\$1,055,789	\$1,494,020	\$400,333	\$647,362	\$258,731	\$4,269,301
B. Percentage Distribution by Income Class									
NONTAXABLE RETURNS	48.62	68.64	67.64	27.92	93.11	47.85	14.67	4.09	53.07
TAXABLE RETURNS									
Under \$ 2,000	1.89	0.61	0.64	0.67	0.03	0.31	13.68	0.79	2.39
\$ 2,000 - \$ 10,000	3.07	0.43	3.39	0.47	*	1.87	0.39	2.25	0.55
\$ 10,000 - \$ 25,000	1.89	0.03	1.10	1.49	0.71	1.44	0.31	80.63	5.69
\$ 25,000 - \$ 50,000	1.73	0.26	0.90	0.61	0.12	0.42	31.45	1.31	5.11
\$ 50,000 - \$ 75,000	17.64	1.79	0.71	1.64	0.02	0.85	0.33	1.11	0.79
\$ 75,000 - \$100,000	1.60	0.40	0.50	0.95	0.27	0.69	8.29	0.55	1.73
\$100,000 - \$200,000	2.21	0.24	1.17	2.97	1.20	3.01	2.45	2.03	1.96
\$200,000 - \$500,000	1.34	1.67	2.75	19.05	0.91	2.83	14.67	1.49	7.78
\$500,000 and over	20.04	25.92	21.21	44.23	3.63	40.73	13.77	5.74	20.94
TOTAL TAXABLE	51.41	31.36	32.36	72.08	6.89	52.15	85.33	95.91	46.93
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	0.07	11.75	0.66	13.01	61.40	8.45	4.19	0.47	100.00
TAXABLE RETURNS									
Under \$ 2,000	0.06	2.32	0.14	6.93	0.45	1.20	86.89	2.01	100.00
\$ 2,000 - \$ 10,000	0.41	7.22	3.22	21.12	0.24	32.04	10.78	24.98	100.00
\$ 10,000 - \$ 25,000	0.02	0.05	0.10	6.47	4.35	2.37	0.82	85.81	100.00
\$ 25,000 - \$ 50,000	0.02	0.47	0.09	2.96	0.82	0.78	93.30	1.56	100.00
\$ 50,000 - \$ 75,000	1.64	20.66	0.47	51.47	0.70	10.08	6.41	8.57	100.00
\$ 75,000 - \$100,000	0.07	2.09	0.15	13.66	5.57	3.73	72.81	1.92	100.00
\$100,000 - \$200,000	0.08	1.11	0.31	37.47	21.40	14.41	18.92	6.29	100.00
\$200,000 - \$500,000	0.01	1.95	0.18	60.59	4.09	3.42	28.61	1.16	100.00
\$500,000 and over	0.07	11.24	0.53	52.23	6.07	18.24	9.97	1.66	100.00
TOTAL TAXABLE	0.08	6.07	0.36	37.98	5.14	10.42	27.57	12.38	100.00
GRAND TOTAL	0.07	9.08	0.52	24.73	34.99	9.38	15.16	6.06	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 1985

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	-\$249,925	-\$ 4,169,010	-\$943,306	-\$16,352,910	-\$61,882,324	\$ 9,067,257	-\$ 2,425,142	-\$1,449,985	-\$ 78,405,345
TAXABLE RETURNS									
Under \$ 2,000	\$ 1,670	\$ 130,238	\$ 6,341	\$ 118,151	\$ 50,583	\$ 31,132	\$ 48,173	\$ 92,858	\$ 479,146
\$ 2,000 - \$ 10,000	2,581	50,701	18,094	128,642	151,108	190,927	1,306,579	392,534	2,241,166
\$ 10,000 - \$ 25,000	2,170	12,501	23,876	763,333	1,027,177	159,632	88,901	368,534	2,446,124
\$ 25,000 - \$ 50,000	3,144	145,192	17,356	241,435	63,202	123,625	9,249,091	249,959	10,093,004
\$ 50,000 - \$ 75,000	105,064	285,961	15,043	745,880	18,357	158,969	54,468	347,685	1,731,427
\$ 75,000 - \$100,000	2,463	136,860	9,541	799,776	45,931	188,586	76,653	112,207	1,372,017
\$100,000 - \$200,000	5,049	45,071	34,011	3,532,139	735,489	648,702	188,353	426,425	5,615,239
\$200,000 - \$500,000	5,081	376,479	88,486	12,644,885	258,209	1,175,026	679,437	343,579	15,571,182
\$500,000 and over	133,432	12,109,271	452,916	40,194,622	3,586,767	9,826,169	3,757,427	1,804,072	71,864,676
TOTAL TAXABLE	\$260,654	\$13,292,274	\$665,664	\$59,168,863	\$ 5,936,823	\$12,502,768	\$15,449,082	\$4,137,853	\$111,413,981
GRAND TOTAL	\$ 10,728	\$ 9,123,264	-\$277,642	\$42,815,955	-\$55,945,502	\$21,570,025	\$13,023,939	\$2,687,868	\$ 33,008,636
B. Percentage Distribution of Taxable Returns by Income									
TAXABLE RETURNS									
Under \$ 2,000	0.64	0.98	0.95	0.20	0.85	0.25	0.31	2.24	0.43
\$ 2,000 - \$ 10,000	0.99	0.38	2.72	0.22	2.55	1.53	8.46	9.49	2.01
\$ 10,000 - \$ 25,000	0.83	0.09	3.59	1.29	17.30	1.28	0.58	8.91	2.20
\$ 25,000 - \$ 50,000	1.21	1.09	2.61	0.41	1.06	0.99	59.87	6.04	9.06
\$ 50,000 - \$ 75,000	40.31	2.15	2.26	1.26	0.31	1.27	0.35	8.40	1.55
\$ 75,000 - \$100,000	0.94	1.03	1.43	1.35	0.77	1.51	0.50	2.71	1.23
\$100,000 - \$200,000	1.94	0.34	5.11	5.97	12.39	5.19	1.22	10.31	5.04
\$200,000 - \$500,000	1.95	2.83	13.29	21.37	4.35	9.40	4.40	8.30	13.98
\$500,000 and over	51.19	91.10	68.04	67.93	60.42	78.59	24.32	43.60	64.50
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	0.32	5.32	1.20	20.86	78.93	- 11.56	3.09	1.85	100.00
TAXABLE RETURNS									
Under \$ 2,000	0.35	27.18	1.32	24.66	10.56	6.50	10.05	19.38	100.00
\$ 2,000 - \$ 10,000	0.12	2.26	0.81	5.74	6.74	8.52	58.30	17.51	100.00
\$ 10,000 - \$ 25,000	0.09	0.51	0.98	31.21	41.99	6.53	3.63	15.07	100.00
\$ 25,000 - \$ 50,000	0.03	1.44	0.17	2.39	0.63	1.22	91.64	2.48	100.00
\$ 50,000 - \$ 75,000	6.07	16.52	0.87	43.08	1.06	9.18	3.15	20.08	100.00
\$ 75,000 - \$100,000	0.18	9.98	0.70	58.29	3.35	13.75	5.59	8.18	100.00
\$100,000 - \$200,000	0.09	0.80	0.61	62.90	13.10	11.55	3.35	7.59	100.00
\$200,000 - \$500,000	0.03	2.42	0.57	81.21	1.66	7.55	4.36	2.21	100.00
\$500,000 and over	0.19	16.85	0.63	55.93	4.99	13.67	5.23	2.51	100.00
TOTAL TAXABLE	0.23	11.93	0.60	53.11	5.33	11.22	13.87	3.71	100.00
GRAND TOTAL	0.03	27.64	- 0.84	129.71	-169.49	65.35	39.46	8.14	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 1985

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	-\$246,444	-\$1,132,008	-\$285,473	-\$947,526	-\$800,481	-\$801,787	-\$1,036,976	-\$487,144	-\$5,737,839
TAXABLE RETURNS									
Under \$ 2,000	\$ 127	\$ 73	\$ 171	\$ 229	\$ 106	\$ 449	\$ 599	\$ 1,348	\$ 3,102
\$ 2,000 - \$ 10,000	768	1,109	2,293	1,757	371	6,653	5,020	12,015	29,986
\$ 10,000 - \$ 25,000	2,154	1,181	6,971	6,644	1,798	19,538	9,445	24,782	72,513
\$ 25,000 - \$ 50,000	3,045	2,613	11,848	9,577	2,282	33,093	18,100	32,702	113,260
\$ 50,000 - \$ 75,000	3,368	2,180	10,826	11,262	1,582	25,899	9,949	19,265	84,331
\$ 75,000 - \$100,000	2,497	2,040	7,684	11,072	2,538	20,634	7,314	12,453	66,232
\$100,000 - \$200,000	4,603	5,632	13,681	26,934	6,590	43,836	18,784	22,763	142,823
\$200,000 - \$500,000	4,590	7,939	14,876	58,870	7,409	62,363	33,108	24,670	213,825
\$500,000 and over	6,241	55,919	51,740	657,350	341,381	225,218	159,754	97,160	1,594,763
TOTAL TAXABLE	\$ 27,393	\$ 78,686	\$120,090	\$783,695	\$364,057	\$437,683	\$ 262,073	\$247,158	\$2,320,835
GRAND TOTAL	-\$219,050	-\$1,053,321	-\$165,383	-\$163,831	-\$436,424	-\$364,104	-\$ 774,903	-\$239,984	-\$3,417,004
B. Percentage Distribution by Income Class									
TAXABLE RETURNS									
Under \$ 2,000	0.46	0.09	0.14	0.03	0.03	0.10	0.23	0.55	0.13
\$ 2,000 - \$ 10,000	2.80	1.41	1.91	0.22	0.10	1.52	1.92	4.86	1.29
\$ 10,000 - \$ 25,000	7.86	1.50	5.80	0.85	0.49	4.46	3.60	10.03	3.12
\$ 25,000 - \$ 50,000	11.12	3.32	9.87	1.22	0.63	7.56	6.91	13.23	4.88
\$ 50,000 - \$ 75,000	12.30	2.77	9.01	1.44	0.43	5.92	3.80	7.79	3.63
\$ 75,000 - \$100,000	9.12	2.59	6.40	1.41	0.70	4.71	2.79	5.04	2.85
\$100,000 - \$200,000	16.80	7.16	11.39	3.44	1.81	10.02	7.17	9.21	6.15
\$200,000 - \$500,000	16.76	10.09	12.39	7.51	2.04	14.25	12.63	9.98	9.21
\$500,000 and over	22.78	71.07	43.08	83.88	93.77	51.46	60.96	39.31	68.72
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	4.30	19.73	4.98	16.51	13.95	13.97	18.07	8.49	100.00
TAXABLE RETURNS									
Under \$ 2,000	4.09	2.35	5.51	7.38	3.42	14.47	19.31	43.46	100.00
\$ 2,000 - \$ 10,000	2.56	3.70	7.65	5.86	1.24	22.19	16.74	40.07	100.00
\$ 10,000 - \$ 25,000	2.97	1.53	9.61	9.16	2.48	26.94	13.03	34.18	100.00
\$ 25,000 - \$ 50,000	2.69	2.31	10.46	8.46	2.01	29.22	15.98	28.87	100.00
\$ 50,000 - \$ 75,000	3.99	2.59	12.84	13.35	1.88	30.71	11.80	22.84	100.00
\$ 75,000 - \$100,000	3.77	3.08	11.60	16.72	3.83	31.15	11.04	18.80	100.00
\$100,000 - \$200,000	3.22	3.94	9.58	18.86	4.61	30.69	13.15	15.94	100.00
\$200,000 - \$500,000	2.15	3.71	6.96	27.53	3.46	29.17	15.48	11.54	100.00
\$500,000 and over	0.39	3.51	3.24	41.22	21.41	14.12	10.02	6.09	100.00
TOTAL TAXABLE	1.18	3.39	5.17	33.77	15.69	18.86	11.29	10.65	100.00
GRAND TOTAL	6.41	30.83	4.84	4.79	12.77	10.66	22.68	7.02	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 1985

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	1,000	1,160	3,160	1,980	1,020	5,260	6,080	8,061	27,721
TAXABLE RETURNS									
Under \$ 2,000	90	30	160	100	50	370	680	1,290	2,770
\$ 2,000 - \$ 10,000	110	100	360	180	40	990	790	1,970	4,540
\$ 10,000 - \$ 25,000	126	48	394	262	54	988	478	1,362	3,712
\$ 25,000 - \$ 50,000	80	44	286	184	34	838	388	846	2,700
\$ 50,000 - \$ 75,000	47	20	157	110	21	375	145	284	1,159
\$ 75,000 - \$100,000	27	8	80	77	23	200	66	108	589
\$100,000 - \$200,000	35	11	75	96	27	252	93	120	709
\$200,000 - \$500,000	13	7	38	59	14	125	74	43	373
\$500,000 and over	4	8	19	42	8	49	46	25	201
TOTAL TAXABLE	532	276	1,569	1,110	271	4,187	2,760	6,048	16,753
GRAND TOTAL	1,531	1,435	4,729	3,089	1,291	9,446	8,840	14,109	44,474
B. Percentage Distribution by Income Class									
NONTAXABLE RETURNS	65.32	80.84	66.82	64.10	79.01	55.68	68.78	57.13	62.34
TAXABLE RETURNS									
Under \$ 2,000	5.88	2.09	3.38	3.24	3.87	3.92	7.69	9.14	6.23
\$ 2,000 - \$ 10,000	7.18	6.97	7.61	5.83	3.10	10.48	8.94	13.96	10.21
\$ 10,000 - \$ 25,000	8.23	3.34	8.33	8.48	4.18	10.46	5.41	9.65	8.35
\$ 25,000 - \$ 50,000	5.23	3.07	6.05	5.96	2.63	8.87	4.39	6.00	6.07
\$ 50,000 - \$ 75,000	3.07	1.39	3.32	3.56	1.63	3.97	1.64	2.01	2.61
\$ 75,000 - \$100,000	1.76	0.56	1.69	2.49	1.78	2.12	0.75	0.77	1.32
\$100,000 - \$200,000	2.29	0.77	1.59	3.11	2.09	2.67	1.05	0.85	1.59
\$200,000 - \$500,000	0.85	0.49	0.80	1.91	1.08	1.32	0.84	0.30	0.84
\$500,000 and over	0.26	0.56	0.40	1.36	0.62	0.52	0.52	0.18	0.45
TOTAL TAXABLE	34.75	19.23	33.18	35.93	20.99	44.33	31.22	42.87	37.67
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	3.61	4.18	11.40	7.14	3.68	18.97	21.93	29.08	100.00
* TAXABLE RETURNS									
Under \$ 2,000	3.25	1.08	5.78	3.61	1.81	13.36	24.55	46.57	100.00
\$ 2,000 - \$ 10,000	2.42	2.20	7.93	3.96	0.88	21.81	17.40	43.39	100.00
\$ 10,000 - \$ 25,000	3.39	1.29	10.61	7.06	1.45	26.62	12.88	36.69	100.00
\$ 25,000 - \$ 50,000	2.96	1.63	10.59	6.81	1.26	31.04	14.37	31.33	100.00
\$ 50,000 - \$ 75,000	4.06	1.73	13.55	9.49	1.81	32.36	12.51	24.50	100.00
\$ 75,000 - \$100,000	4.58	1.36	13.58	13.07	3.90	33.96	11.21	18.34	100.00
\$100,000 - \$200,000	4.94	1.55	10.58	13.54	3.81	35.54	13.12	16.93	100.00
\$200,000 - \$500,000	3.49	1.88	10.19	15.82	3.75	33.51	19.84	11.53	100.00
\$500,000 and over	1.99	3.98	9.45	20.90	3.98	24.38	22.89	12.44	100.00
TOTAL TAXABLE	3.18	1.65	9.37	6.63	1.62	24.99	16.47	36.10	100.00
GRAND TOTAL	3.44	3.23	10.63	6.95	2.90	21.24	19.88	31.72	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 1985

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	\$1,460	\$41,494	\$1,091	\$ 1,364	\$17,688	\$1,317	\$41,093	\$2,057	\$107,564
TAXABLE RETURNS									
Under \$ 2,000	\$ 13	\$ *	\$ 19	\$ 14	\$ 2	\$ 41	\$ 54	\$ 58	\$ 201
\$ 2,000 - \$ 10,000	24	46	50	32	4	3,341	169	144	3,810
\$ 10,000 - \$ 25,000	58	61	96	114	12	294	831	191	1,657
\$ 25,000 - \$ 50,000	54	9	94	59	15	366	353	252	1,202
\$ 50,000 - \$ 75,000	50	36	94	71	22	296	127	144	840
\$ 75,000 - \$100,000	48	19	83	51	28	181	330	81	821
\$100,000 - \$200,000	61	7	95	132	39	433	528	139	1,434
\$200,000 - \$500,000	35	32	104	149	75	442	1,109	177	2,123
\$500,000 and over	26	132	1,351	14,281	1,050	338	10,862	282	28,322
TOTAL TAXABLE	\$ 369	\$ 342	\$1,986	\$14,903	\$ 1,247	\$5,732	\$14,363	\$1,468	\$ 40,410
GRAND TOTAL	\$1,829	\$41,836	\$3,078	\$16,269	\$18,936	\$7,049	\$55,455	\$3,523	\$147,974
B. Percentage Distribution by Income Class									
NONTAXABLE RETURNS	79.83	99.18	35.45	8.38	93.41	18.68	74.10	58.39	72.69
TAXABLE RETURNS									
Under \$ 2,000	0.71	**	0.62	0.09	0.01	0.58	0.10	1.65	0.14
\$ 2,000 - \$ 10,000	1.31	0.11	1.62	0.20	0.02	47.40	0.30	4.09	2.57
\$ 10,000 - \$ 25,000	3.17	0.15	3.12	0.70	0.06	4.17	1.50	5.42	1.12
\$ 25,000 - \$ 50,000	2.95	0.02	3.05	0.36	0.08	5.19	0.64	7.15	0.81
\$ 50,000 - \$ 75,000	2.73	0.09	3.05	0.44	0.12	4.20	0.23	4.09	0.57
\$ 75,000 - \$100,000	2.62	0.05	2.70	0.31	0.15	2.57	0.60	2.30	0.55
\$100,000 - \$200,000	3.34	0.02	3.09	0.81	0.21	6.14	0.95	3.95	0.97
\$200,000 - \$500,000	1.91	0.08	3.38	0.92	0.40	6.27	2.00	5.02	1.43
\$500,000 and over	1.42	0.32	43.89	87.78	5.54	4.80	19.59	8.00	19.14
TOTAL TAXABLE	20.17	0.82	64.52	91.60	6.59	81.32	25.90	41.67	27.31
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	1.36	38.58	1.01	1.27	16.44	1.22	38.20	1.91	100.00
TAXABLE RETURNS									
Under \$ 2,000	6.47	**	9.45	6.97	1.00	20.40	26.87	28.86	100.00
\$ 2,000 - \$ 10,000	0.63	1.21	1.31	0.84	0.10	87.69	4.44	3.78	100.00
\$ 10,000 - \$ 25,000	3.50	3.68	5.79	6.88	0.72	17.74	50.15	11.53	100.00
\$ 25,000 - \$ 50,000	4.49	0.75	7.82	4.91	1.25	30.45	29.37	20.97	100.00
\$ 50,000 - \$ 75,000	5.95	4.29	11.19	8.45	2.62	35.24	15.12	17.14	100.00
\$ 75,000 - \$100,000	5.85	2.31	10.11	6.21	3.41	22.05	40.19	9.87	100.00
\$100,000 - \$200,000	4.25	0.49	6.62	9.21	2.72	30.20	36.82	9.69	100.00
\$200,000 - \$500,000	1.65	1.51	4.90	7.02	3.53	20.82	52.24	8.34	100.00
\$500,000 and over	0.09	0.47	4.77	50.42	3.71	1.19	38.35	1.00	100.00
TOTAL TAXABLE	0.91	0.85	4.91	36.88	3.09	14.18	35.54	3.63	100.00
GRAND TOTAL	1.24	28.27	2.08	10.99	12.80	4.76	37.48	2.38	100.00

* Less than \$500,000.

** 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 1985

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	-\$241,111	-\$432,057	-\$133,634	-\$592,620	-\$277,445	-\$209,922	-\$355,830	-\$260,376	-\$2,502,995
TAXABLE RETURNS									
Under \$ 2,000	\$ 90	\$ 33	\$ 140	\$ 85	\$ 53	\$ 514	\$ 461	\$ 1,096	\$ 2,472
\$ 2,000 - \$ 10,000	614	315	2,464	1,082	169	6,140	4,170	10,602	25,556
\$ 10,000 - \$ 25,000	2,018	655	6,524	4,316	905	16,042	7,742	23,608	62,610
\$ 25,000 - \$ 50,000	3,144	1,617	12,150	6,294	1,215	28,696	13,435	29,175	95,726
\$ 50,000 - \$ 75,000	2,808	1,362	9,434	6,275	1,233	21,814	8,987	19,475	71,388
\$ 75,000 - \$100,000	2,287	816	7,249	6,356	1,836	16,504	6,941	9,492	51,481
\$100,000 - \$200,000	4,360	1,518	9,671	12,131	3,461	33,881	16,816	16,759	98,597
\$200,000 - \$500,000	3,395	2,206	10,152	70,880	3,436	51,512	24,923	39,292	205,796
\$500,000 and over	2,676	11,722	32,443	578,385	20,604	55,267	83,321	45,904	830,322
TOTAL TAXABLE	\$ 21,392	\$ 20,244	\$ 90,227	\$685,804	\$ 32,912	\$231,170	\$166,796	\$195,403	\$1,443,948
GRAND TOTAL	-\$219,719	-\$411,812	-\$ 43,409	\$ 93,183	-\$244,534	\$ 21,248	-\$189,032	-\$ 64,974	-\$1,059,047
B. Percentage Distribution of Taxable Returns by Income Class									
TAXABLE RETURNS									
Under \$ 2,000	0.42	0.16	0.16	0.01	0.16	0.22	0.28	0.56	0.17
\$ 2,000 - \$ 10,000	2.87	1.56	2.73	0.16	0.51	2.66	2.50	5.43	1.77
\$ 10,000 - \$ 25,000	9.43	3.24	7.23	0.63	2.75	7.29	4.64	12.08	4.34
\$ 25,000 - \$ 50,000	14.70	7.99	13.47	0.92	3.69	12.41	8.05	14.93	6.63
\$ 50,000 - \$ 75,000	13.13	6.73	10.46	0.91	3.75	9.44	5.39	9.97	4.94
\$ 75,000 - \$100,000	10.69	4.03	8.03	0.93	5.58	7.14	4.16	4.86	3.57
\$100,000 - \$200,000	20.38	7.50	10.72	1.77	10.52	14.66	10.08	8.58	6.83
\$200,000 - \$500,000	15.87	10.90	11.25	10.34	10.44	22.28	14.94	20.11	14.25
\$500,000 and over	12.51	57.90	35.96	84.34	62.60	23.91	49.95	23.49	57.50
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	9.63	17.26	5.34	23.68	11.08	8.39	14.22	10.40	100.00
TAXABLE RETURNS									
Under \$ 2,000	3.64	1.33	5.66	3.44	2.14	20.79	18.65	44.34	100.00
\$ 2,000 - \$ 10,000	2.40	1.23	9.64	4.23	0.66	24.03	16.32	41.49	100.00
\$ 10,000 - \$ 25,000	3.22	1.05	10.42	6.89	1.45	26.90	12.37	37.71	100.00
\$ 25,000 - \$ 50,000	3.28	1.69	12.69	6.58	1.27	29.98	14.03	30.48	100.00
\$ 50,000 - \$ 75,000	3.93	1.91	13.22	8.79	1.73	30.56	12.59	27.28	100.00
\$ 75,000 - \$100,000	4.44	1.59	14.08	12.35	3.57	32.06	13.48	18.44	100.00
\$100,000 - \$200,000	4.42	1.54	9.81	12.30	3.51	34.36	17.06	17.00	100.00
\$200,000 - \$500,000	1.65	1.07	4.93	34.44	1.67	25.03	12.11	19.09	100.00
\$500,000 and over	0.32	1.41	3.91	69.66	2.48	6.66	10.03	5.53	100.00
TOTAL TAXABLE	1.48	1.40	6.25	47.50	2.28	16.01	11.55	13.53	100.00
GRAND TOTAL	20.75	38.89	4.10	-8.80	23.09	-2.01	17.85	6.14	100.00

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 1985

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	-\$242,963	-\$434,402	-\$138,957	-\$633,589	-\$283,479	-\$227,679	-\$900,329	-\$338,157	-\$3,199,555
TAXABLE RETURNS									
Under \$ 2,000	\$ 92	\$ 35	\$ 145	\$ 95	\$ 54	\$ 367	\$ 523	\$ 1,159	\$ 2,470
\$ 2,000 - \$ 10,000	596	514	1,886	1,097	172	5,919	4,331	10,737	25,252
\$ 10,000 - \$ 25,000	2,013	706	6,512	4,446	929	17,376	7,965	22,860	62,807
\$ 25,000 - \$ 50,000	3,045	1,647	10,822	6,474	1,251	29,246	14,077	30,028	96,590
\$ 50,000 - \$ 75,000	2,829	1,174	9,820	6,463	1,273	22,596	8,872	17,141	70,168
\$ 75,000 - \$100,000	2,348	657	6,925	6,561	1,904	17,219	5,871	9,449	50,934
\$100,000 - \$200,000	4,428	1,548	10,170	12,535	3,559	34,789	13,331	15,975	96,335
\$200,000 - \$500,000	3,592	2,068	10,804	18,003	3,578	38,663	23,167	12,966	112,841
\$500,000 and over	3,167	11,778	25,138	63,080	20,562	57,490	81,652	53,939	316,806
TOTAL TAXABLE	\$ 22,110	\$ 20,127	\$ 82,222	\$118,754	\$ 33,282	\$223,665	\$159,789	\$174,254	\$ 834,203
GRAND TOTAL	-\$220,852	-\$414,274	-\$ 56,734	-\$514,835	-\$250,198	-\$ 4,015	-\$740,542	-\$163,902	-\$2,365,352
B. Percentage Distribution of Taxable Returns by Income Class									
TAXABLE RETURNS									
Under \$ 2,000	0.42	0.17	0.18	0.08	0.16	0.16	0.33	0.67	0.30
\$ 2,000 - \$ 10,000	2.70	2.55	2.29	0.92	0.52	2.65	2.71	6.16	3.03
\$ 10,000 - \$ 25,000	9.10	3.51	7.92	3.74	2.79	7.77	4.98	13.12	7.53
\$ 25,000 - \$ 50,000	13.77	8.18	13.16	5.45	3.76	13.08	8.81	17.23	11.58
\$ 50,000 - \$ 75,000	12.80	5.83	11.94	5.44	3.82	10.10	5.55	9.84	8.41
\$ 75,000 - \$100,000	10.62	3.26	8.42	5.52	5.72	7.70	3.67	5.42	6.11
\$100,000 - \$200,000	20.03	7.69	12.37	10.56	10.69	15.55	8.34	9.17	11.55
\$200,000 - \$500,000	16.25	10.27	13.14	15.16	10.75	17.29	14.50	7.44	13.53
\$500,000 and over	14.32	58.52	30.57	53.12	61.78	25.70	51.10	30.95	37.98
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	7.59	13.58	4.34	19.80	8.86	7.12	28.14	10.57	100.00
TAXABLE RETURNS									
Under \$ 2,000	3.72	1.42	5.87	3.85	2.19	14.86	21.17	46.92	100.00
\$ 2,000 - \$ 10,000	2.36	2.04	7.47	4.34	0.68	23.44	17.15	42.52	100.00
\$ 10,000 - \$ 25,000	3.21	1.12	10.37	7.08	1.48	27.67	12.68	36.40	100.00
\$ 25,000 - \$ 50,000	3.15	1.71	11.20	6.70	1.30	30.28	14.57	31.09	100.00
\$ 50,000 - \$ 75,000	4.03	1.67	13.99	9.21	1.81	32.20	12.64	24.43	100.00
\$ 75,000 - \$100,000	4.61	1.29	13.60	12.88	3.74	33.81	11.53	18.55	100.00
\$100,000 - \$200,000	4.60	1.61	10.56	13.01	3.69	36.11	13.84	16.58	100.00
\$200,000 - \$500,000	3.18	1.83	9.57	15.95	3.17	34.26	20.53	11.49	100.00
\$500,000 and over	1.00	3.72	7.93	19.91	6.49	18.15	25.77	17.03	100.00
TOTAL TAXABLE	2.65	2.41	9.86	14.24	3.99	26.81	19.15	20.89	100.00
GRAND TOTAL	9.34	17.51	2.40	21.77	10.58	0.17	31.31	6.93	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 1985

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	660	1,080	360	700	910	1,080	5,890
TAXABLE RETURNS									
Under \$ 2,000	20	60	40	130	70	120	80	220	740
\$ 2,000 - \$ 10,000	30	106	80	130	30	130	140	240	886
\$ 10,000 - \$ 25,000	6	32	30	126	56	130	94	120	594
\$ 25,000 - \$ 50,000	0	28	30	76	28	102	110	76	450
\$ 50,000 - \$ 75,000	9	17	15	79	5	54	17	34	230
\$ 75,000 - \$ 100,000	2	16	9	53	8	39	17	35	179
\$ 100,000 - \$ 200,000	2	28	27	107	21	63	38	47	333
\$ 200,000 - \$ 500,000	3	17	12	123	10	79	33	38	315
\$ 500,000 and over	3	27	13	150	34	76	42	28	373
TOTAL TAXABLE	75	331	256	974	262	793	571	838	4,100
GRAND TOTAL	114	1,390	916	2,053	620	1,493	1,480	1,917	9,990
B. Percentage Distribution by Income Class									
NONTAXABLE RETURNS	35.09	76.26	72.05	52.61	58.06	46.89	61.49	56.34	59.01
TAXABLE RETURNS									
Under \$ 2,000	17.54	4.32	4.37	6.33	11.29	8.04	5.41	11.48	7.41
\$ 2,000 - \$ 10,000	26.32	7.63	8.73	6.33	4.84	8.71	9.46	12.52	8.88
\$ 10,000 - \$ 25,000	5.26	2.30	3.28	6.14	9.03	8.71	6.35	6.26	5.95
\$ 25,000 - \$ 50,000	0.00	2.01	3.28	3.70	4.52	6.83	7.43	3.96	4.51
\$ 50,000 - \$ 75,000	7.89	1.22	1.64	3.85	0.81	3.62	1.15	1.77	2.30
\$ 75,000 - \$ 100,000	1.75	1.15	0.98	2.58	1.29	2.61	1.15	1.83	1.79
\$ 100,000 - \$ 200,000	1.75	2.01	2.95	5.21	3.39	4.22	2.57	2.45	3.34
\$ 200,000 - \$ 500,000	2.63	1.22	1.31	5.99	1.61	5.29	2.23	1.98	3.16
\$ 500,000 and over	2.63	1.94	1.42	7.31	5.48	5.09	2.84	1.46	3.74
TOTAL TAXABLE	65.79	23.81	27.95	47.44	42.26	53.11	38.58	43.71	41.07
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	0.68	18.00	11.21	18.34	6.11	11.88	15.45	18.34	100.00
TAXABLE RETURNS									
Under \$ 2,000	2.70	8.11	5.41	17.57	9.46	16.22	10.81	29.73	100.00
\$ 2,000 - \$ 10,000	3.39	11.96	9.03	14.67	3.39	14.67	15.80	27.09	100.00
\$ 10,000 - \$ 25,000	1.01	5.39	5.05	21.21	9.43	21.89	15.82	20.20	100.00
\$ 25,000 - \$ 50,000	0.00	6.22	6.67	16.89	6.22	22.67	24.44	16.89	100.00
\$ 50,000 - \$ 75,000	3.91	7.39	6.52	34.35	2.17	23.48	7.39	14.78	100.00
\$ 75,000 - \$ 100,000	1.12	8.94	5.03	29.61	4.47	21.79	9.50	19.55	100.00
\$ 100,000 - \$ 200,000	0.60	8.41	8.11	32.13	6.31	18.92	11.41	14.11	100.00
\$ 200,000 - \$ 500,000	0.95	5.40	3.81	39.05	3.17	25.08	10.48	12.06	100.00
\$ 500,000 and over	0.80	7.24	3.49	40.21	9.12	20.38	11.26	7.51	100.00
TOTAL TAXABLE	1.83	8.07	6.24	23.76	6.39	19.34	13.93	20.44	100.00
GRAND TOTAL	1.14	13.91	9.17	20.55	6.21	14.94	14.81	19.19	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 1985

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	\$ 58	\$224,684	\$13,893	\$ 293,385	\$1,373,411	\$190,233	\$ 53,865	\$ 8,519	\$2,158,048
TAXABLE RETURNS									
Under \$ 2,000	\$ 46	\$ 2,368	\$ 122	\$ 7,053	\$ 452	\$ 1,187	\$ 88,508	\$ 1,989	\$ 101,725
\$ 2,000 - \$ 10,000	72	1,638	701	4,897	51	4,138	2,347	5,686	19,530
\$ 10,000 - \$ 25,000	1	66	147	15,625	10,563	5,478	1,156	208,412	241,448
\$ 25,000 - \$ 50,000	0	1,012	105	6,392	1,781	1,329	203,212	3,148	216,979
\$ 50,000 - \$ 75,000	501	6,908	64	17,230	213	3,093	2,027	2,736	32,772
\$ 75,000 - \$100,000	2	1,524	27	10,013	4,080	2,566	53,322	1,336	72,870
\$100,000 - \$200,000	7	919	164	31,214	17,865	11,626	15,302	5,121	82,218
\$200,000 - \$500,000	8	6,431	506	201,028	13,489	10,907	93,878	3,683	329,930
\$500,000 and over	600	100,399	3,346	452,682	53,179	162,727	78,289	14,578	865,800
TOTAL TAXABLE	\$1,237	\$121,265	\$ 5,102	\$ 746,134	\$ 101,673	\$203,051	\$538,041	\$246,689	\$1,963,272
GRAND TOTAL	\$1,295	\$345,951	\$19,076	\$1,039,520	\$1,475,084	\$393,285	\$591,906	\$255,209	\$4,121,320
B. Percentage Distribution by Income Class									
NONTAXABLE RETURNS	4.48	64.95	72.83	28.22	93.11	48.37	9.10	3.34	52.36
TAXABLE RETURNS									
Under \$ 2,000	3.55	0.68	0.64	0.68	0.03	0.30	14.95	0.78	2.47
\$ 2,000 - \$ 10,000	5.56	0.47	3.67	0.47	*	1.05	0.40	2.23	0.47
\$ 10,000 - \$ 25,000	0.08	0.02	0.77	1.50	0.72	1.39	0.20	81.66	5.86
\$ 25,000 - \$ 50,000	0.00	0.29	0.55	0.61	0.12	0.34	34.33	1.23	5.26
\$ 50,000 - \$ 75,000	38.69	2.00	0.34	1.66	0.01	0.79	0.34	1.07	0.80
\$ 75,000 - \$100,000	0.15	0.44	0.14	0.96	0.28	0.65	9.01	0.52	1.77
\$100,000 - \$200,000	0.54	0.27	0.86	3.00	1.21	2.96	2.59	2.01	1.99
\$200,000 - \$500,000	0.62	1.86	2.65	19.34	0.91	2.77	15.86	1.44	8.01
\$500,000 and over	46.33	29.02	17.54	43.55	3.61	41.38	13.23	5.71	21.01
TOTAL TAXABLE	95.52	35.05	27.17	71.78	6.89	51.63	90.90	96.66	47.64
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	*	10.41	0.64	13.59	63.64	8.82	2.50	0.39	100.00
TAXABLE RETURNS									
Under \$ 2,000	0.05	2.33	0.12	6.93	0.44	1.17	87.01	1.96	100.00
\$ 2,000 - \$ 10,000	0.37	8.39	3.59	25.07	0.26	21.19	12.02	29.11	100.00
\$ 10,000 - \$ 25,000	*	0.03	0.06	6.47	4.37	2.27	0.48	86.32	100.00
\$ 25,000 - \$ 50,000	0.00	0.47	0.05	2.95	0.82	0.61	93.66	1.45	100.00
\$ 50,000 - \$ 75,000	1.53	21.08	0.20	52.58	0.65	9.44	6.19	8.35	100.00
\$ 75,000 - \$100,000	*	2.09	0.04	13.74	5.60	3.52	73.17	1.83	100.00
\$100,000 - \$200,000	0.01	1.12	0.20	37.96	21.73	14.14	18.61	6.23	100.00
\$200,000 - \$500,000	*	1.95	0.15	60.93	4.09	3.31	28.45	1.12	100.00
\$500,000 and over	0.07	11.60	0.39	52.28	6.14	18.79	9.04	1.68	100.00
TOTAL TAXABLE	0.06	6.18	0.26	38.00	5.18	10.34	27.41	12.57	100.00
GRAND TOTAL	0.03	8.39	0.46	25.22	35.79	9.54	14.36	6.19	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 1985

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	-\$ 8,814	-\$ 3,736,954	-\$809,672	-\$15,760,289	-\$61,604,879	\$ 9,277,179	-\$ 2,069,312	-\$1,189,610	-\$ 75,902,351
TAXABLE RETURNS									
Under \$ 2,000	\$ 1,579	\$ 130,204	\$ 6,201	\$ 118,066	\$ 50,530	\$ 30,618	\$ 47,712	\$ 91,762	\$ 476,672
\$ 2,000 - \$ 10,000	1,967	50,386	15,630	127,560	150,939	184,787	1,302,408	381,932	2,215,609
\$ 10,000 - \$ 25,000	152	11,846	17,352	759,017	1,026,272	142,790	81,159	344,926	2,383,514
\$ 25,000 - \$ 50,000	0	143,575	5,205	235,142	61,987	94,928	9,235,656	220,784	9,997,277
\$ 50,000 - \$ 75,000	102,257	284,600	5,610	739,606	17,123	137,155	45,481	328,210	1,660,042
\$ 75,000 - \$100,000	176	136,044	2,292	793,420	44,095	172,082	69,712	102,716	1,320,537
\$100,000 - \$200,000	689	43,553	24,340	3,520,008	732,027	614,821	171,536	409,667	5,516,641
\$200,000 - \$500,000	1,686	374,273	78,335	12,574,005	254,773	1,123,515	654,514	304,287	15,365,388
\$500,000 and over	130,756	12,097,549	420,473	39,616,237	3,566,164	9,770,902	3,674,106	1,758,168	71,034,355
TOTAL TAXABLE	\$239,262	\$13,272,030	\$575,438	\$58,483,061	\$ 5,903,910	\$12,271,598	\$15,282,284	\$3,942,452	\$109,970,035
GRAND TOTAL	\$230,447	\$ 9,535,076	-\$234,233	\$42,722,771	-\$55,700,968	\$21,548,777	\$13,212,972	\$2,752,842	\$ 34,067,684
B. Percentage Distribution of Taxable Returns by Income Class									
TAXABLE RETURNS									
Under \$ 2,000	0.66	0.98	1.08	0.20	0.86	0.25	0.31	2.33	0.43
\$ 2,000 - \$ 10,000	0.82	0.38	2.72	0.22	2.56	1.51	8.52	9.69	2.01
\$ 10,000 - \$ 25,000	0.06	0.09	3.02	1.30	17.38	1.16	0.53	8.75	2.17
\$ 25,000 - \$ 50,000	0.00	1.08	0.90	0.40	1.05	0.77	60.43	5.60	9.09
\$ 50,000 - \$ 75,000	42.74	2.14	0.97	1.26	0.29	1.12	0.30	8.33	1.51
\$ 75,000 - \$100,000	0.07	1.03	0.40	1.36	0.75	1.40	0.46	2.61	1.20
\$100,000 - \$200,000	0.29	0.33	4.23	6.02	12.40	5.01	1.12	10.39	5.02
\$200,000 - \$500,000	0.70	2.82	13.61	21.50	4.32	9.16	4.28	7.72	13.97
\$500,000 and over	54.65	91.15	73.07	67.74	60.40	79.62	24.04	44.60	64.59
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	0.01	4.92	1.07	20.76	81.16	- 12.22	2.73	1.57	100.00
TAXABLE RETURNS									
Under \$ 2,000	0.33	27.32	1.30	24.77	10.60	6.42	10.01	19.25	100.00
\$ 2,000 - \$ 10,000	0.09	2.27	0.71	5.76	6.81	8.34	58.78	17.24	100.00
\$ 10,000 - \$ 25,000	0.01	0.50	0.73	31.84	43.06	5.99	3.41	14.47	100.00
\$ 25,000 - \$ 50,000	0.00	1.44	0.05	2.35	0.62	0.95	92.38	2.21	100.00
\$ 50,000 - \$ 75,000	6.16	17.14	0.34	44.55	1.03	8.26	2.74	19.77	100.00
\$ 75,000 - \$100,000	0.01	10.30	0.17	60.08	3.34	13.03	5.28	7.78	100.00
\$100,000 - \$200,000	0.01	0.79	0.44	63.81	13.27	11.14	3.11	7.43	100.00
\$200,000 - \$500,000	0.01	2.44	0.51	81.83	1.66	7.31	4.26	1.98	100.00
\$500,000 and over	0.18	17.03	0.59	55.77	5.02	13.76	5.17	2.48	100.00
TOTAL TAXABLE	0.22	12.07	0.52	53.18	5.37	11.16	13.90	3.59	100.00
GRAND TOTAL	0.68	27.99	- 0.69	125.41	-163.50	63.25	38.78	8.08	100.00

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 1985

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	-\$3,482	-\$697,606	-\$146,516	-\$313,937	-\$517,003	-\$574,108	-\$136,647	-\$148,987	-\$2,538,286
TAXABLE RETURNS									
Under \$ 2,000	\$ 35	\$ 39	\$ 27	\$ 134	\$ 53	\$ 82	\$ 76	\$ 189	\$ 635
\$ 2,000 - \$ 10,000	173	594	407	660	199	734	689	1,279	4,735
\$ 10,000 - \$ 25,000	141	475	459	2,198	869	2,162	1,480	1,923	9,707
\$ 25,000 - \$ 50,000	0	966	1,026	3,103	1,031	3,847	4,023	2,674	16,670
\$ 50,000 - \$ 75,000	539	1,006	1,006	4,800	309	3,303	1,077	2,125	14,165
\$ 75,000 - \$100,000	149	1,383	759	4,510	634	3,415	1,443	3,004	15,297
\$100,000 - \$200,000	174	4,084	3,510	14,399	3,031	9,047	5,454	6,788	46,487
\$200,000 - \$500,000	998	5,871	4,071	40,867	3,832	23,700	9,942	11,704	100,985
\$500,000 and over	3,075	44,141	26,602	594,270	320,819	167,728	78,102	43,221	1,277,958
TOTAL TAXABLE	\$5,284	\$ 58,559	\$ 37,867	\$664,941	\$330,777	\$214,018	\$102,286	\$ 72,907	\$1,486,639
GRAND TOTAL	\$1,802	-\$639,047	-\$108,649	\$351,004	-\$186,226	-\$360,089	-\$ 34,361	-\$ 76,082	-\$1,051,647
B. Percentage Distribution of Taxable Returns by Income Class									
TAXABLE RETURNS									
Under \$ 2,000	0.66	0.07	0.07	0.02	0.02	0.04	0.07	0.26	0.04
\$ 2,000 - \$ 10,000	3.27	1.01	1.07	0.10	0.06	0.34	0.67	1.75	0.32
\$ 10,000 - \$ 25,000	2.67	0.81	1.21	0.33	0.26	1.01	1.45	2.64	0.65
\$ 25,000 - \$ 50,000	0.00	1.65	2.71	0.47	0.31	1.80	3.93	3.67	1.12
\$ 50,000 - \$ 75,000	10.20	1.72	2.66	0.72	0.09	1.54	1.05	2.91	0.95
\$ 75,000 - \$100,000	2.82	2.36	2.00	0.68	0.19	1.60	1.41	4.12	1.03
\$100,000 - \$200,000	3.29	6.97	9.27	2.17	0.92	4.23	5.33	9.31	3.13
\$200,000 - \$500,000	18.89	10.03	10.75	6.15	1.16	11.07	9.72	16.05	6.79
\$500,000 and over	58.19	75.38	70.25	89.37	96.99	78.37	76.36	59.28	85.96
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	27.48	5.77	12.37	20.37	22.62	5.38	5.87	100.00
TAXABLE RETURNS									
Under \$ 2,000	5.51	6.14	4.25	21.10	8.35	12.91	11.97	29.76	100.00
\$ 2,000 - \$ 10,000	3.65	12.54	8.60	13.94	4.20	15.50	14.55	27.01	100.00
\$ 10,000 - \$ 25,000	1.45	4.89	4.73	22.64	8.95	22.27	15.25	19.81	100.00
\$ 25,000 - \$ 50,000	0.00	5.79	6.15	18.61	6.18	23.08	24.13	16.04	100.00
\$ 50,000 - \$ 75,000	3.81	7.10	7.10	33.89	2.18	23.32	7.60	15.00	100.00
\$ 75,000 - \$100,000	0.97	9.04	4.96	29.48	4.14	22.32	9.43	19.64	100.00
\$100,000 - \$200,000	0.37	8.79	7.55	30.97	6.52	19.46	11.73	14.60	100.00
\$200,000 - \$500,000	0.99	5.81	4.03	40.47	3.79	23.47	9.85	11.59	100.00
\$500,000 and over	0.24	3.45	2.08	46.50	25.10	13.12	6.11	3.38	100.00
TOTAL TAXABLE	0.36	3.94	2.55	44.73	22.25	14.40	6.88	4.90	100.00
GRAND TOTAL	- 0.17	60.77	10.33	-33.38	17.71	34.24	3.27	7.23	100.00

TABLE 25. DISTRIBUTION OF ALL RETURNS BY TAX CLASSES
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1985

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	33,611	\$ 0	27,721	\$ 0	5,890	\$ 0
TAXABLE RETURNS						
Under \$ 100	3,580	\$ 160	2,810	\$ 126	770	\$ 34
\$ 100 - \$ 250	2,550	439	2,120	366	430	74
\$ 250 - \$ 500	2,838	1,049	2,402	888	436	162
\$ 500 - \$ 1,000	3,124	2,276	2,688	1,968	436	308
\$ 1,000 - \$ 1,500	2,003	2,451	1,766	2,164	237	288
\$ 1,500 - \$ 2,500	2,339	4,569	1,972	3,844	367	725
\$ 2,500 - \$ 5,000	2,110	7,396	1,711	5,949	399	1,447
\$ 5,000 - \$10,000	1,032	7,090	704	4,782	329	2,308
\$10,000 - \$25,000	688	10,673	373	5,635	315	5,038
\$25,000 - \$50,000	288	10,062	118	4,059	170	6,004
\$50,000 and over	286	69,658	83	11,776	203	57,882
TOTAL TAXABLE	20,838	\$115,823	16,747	\$41,557	4,092	\$74,270
GRAND TOTAL	54,449	\$115,825	44,468	\$41,555	9,982	\$74,270
B. Percentage Distribution of Taxable Returns						
TAXABLE RETURNS						
Under \$ 100	17.18	0.14	16.78	0.30	18.82	0.05
\$ 100 - \$ 250	12.24	0.38	12.66	0.88	10.51	0.10
\$ 250 - \$ 500	13.62	0.91	14.34	2.14	10.65	0.22
\$ 500 - \$ 1,000	14.99	1.97	16.05	4.74	10.65	0.41
\$ 1,000 - \$ 1,500	9.61	2.12	10.55	5.21	5.79	0.39
\$ 1,500 - \$ 2,500	11.22	3.94	11.78	9.25	8.97	0.98
\$ 2,500 - \$ 5,000	10.13	6.39	10.22	14.32	9.75	1.95
\$ 5,000 - \$10,000	4.95	6.12	4.20	11.51	8.04	3.11
\$10,000 - \$25,000	3.30	9.21	2.23	13.56	7.70	6.78
\$25,000 - \$50,000	1.38	8.69	0.70	9.77	4.15	8.08
\$50,000 and over	1.37	60.14	0.50	28.34	4.96	77.93
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 1985

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	17,041	\$ 371	-\$ 679	-\$ 422	
\$ 100,000 - \$ 1 Million	9,550	3,214	- 1,051	- 872	
\$ 1 Million - \$ 10 Million	4,140	14,070	- 3,319	- 1,502	
\$ 10 Million - \$ 100 Million	1,920	67,292	- 2,569	- 1,129	
\$ 100 Million - \$1,000 Million	720	222,519	- 1,608	- 913	
\$1,000 Million and over	240	1,958,148	- 69,180	- 900	
TOTAL	33,611	\$2,265,615	-\$78,405	-\$5,738	
B. Taxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	7,942	\$ 311	\$ 4,312	\$ 128	\$ 6
\$ 100,000 - \$ 1 Million	8,090	2,694	1,007	283	14
\$ 1 Million - \$ 10 Million	2,653	8,468	3,426	387	19
\$ 10 Million - \$ 100 Million	1,315	43,855	4,762	396	20
\$ 100 Million - \$1,000 Million	606	186,675	18,113	280	14
\$1,000 Million and over	234	1,761,683	79,793	846	42
TOTAL	20,838	\$2,003,686	\$111,414	\$2,321	\$116
C. Percentage Distribution of Nontaxable Returns					
Under \$ 100,000	50.70	0.02	0.87	7.35	
\$ 100,000 - \$ 1 Million	28.41	0.14	1.34	15.20	
\$ 1 Million - \$ 10 Million	12.32	0.62	4.23	26.18	
\$ 10 Million - \$ 100 Million	5.71	2.97	3.28	19.68	
\$ 100 Million - \$1,000 Million	2.14	9.82	2.05	15.91	
\$1,000 Million and over	0.71	86.43	88.23	15.68	
TOTAL	100.00	100.00	100.00	100.00	
D. Percentage Distribution of Taxable Returns					
Under \$ 100,000	38.11	0.02	3.87	5.51	5.17
\$ 100,000 - \$ 1 Million	38.82	0.13	0.90	12.19	12.07
\$ 1 Million - \$ 10 Million	12.73	0.42	3.08	16.67	16.38
\$ 10 Million - \$ 100 Million	6.31	2.19	4.27	17.06	17.24
\$ 100 Million - \$1,000 Million	2.91	9.32	16.26	12.06	12.07
\$1,000 Million and over	1.12	87.92	71.62	36.45	36.21
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 1985

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	16,381	\$ 450	-\$ 326	-\$ 386	
\$ 100,000 - \$ 1 Million	8,500	2,759	- 706	- 784	
\$ 1 Million - \$ 10 Million	2,160	6,160	- 974	- 1,143	
\$ 10 Million - \$ 100 Million	480	17,407	- 179	- 435	
\$ 100 Million - \$1,000 Million	200	80,790	- 318	- 451	
\$1,000 Million and over	0	0	0	0	
TOTAL	27,721	\$107,565	-\$2,503	-\$3,200	
B. Taxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	7,756	\$ 303	\$ 84	\$ 84	\$ 4
\$ 100,000 - \$ 1 Million	7,351	2,378	310	261	13
\$ 1 Million - \$ 10 Million	1,473	3,852	334	304	15
\$ 10 Million - \$ 100 Million	133	3,462	176	162	8
\$ 100 Million - \$1,000 Million	30	7,354	145	15	1
\$1,000 Million and over	5	23,061	396	8	*
TOTAL	16,747	\$40,410	\$1,444	\$834	\$42
C. Percentage Distribution of Nontaxable Returns					
Under \$ 100,000	59.09	0.42	13.02	12.06	
\$ 100,000 - \$ 1 Million	30.66	2.56	28.21	24.50	
\$ 1 Million - \$ 10 Million	7.79	5.73	38.91	35.72	
\$ 10 Million - \$ 100 Million	1.73	16.18	7.15	13.59	
\$ 100 Million - \$1,000 Million	0.72	75.11	12.70	14.09	
\$1,000 Million and over	0.00	0.00	0.00	0.00	
TOTAL	100.00	100.00	100.00	100.00	
D. Percentage Distribution of Taxable Returns					
Under \$ 100,000	46.31	0.75	5.82	10.07	9.52
\$ 100,000 - \$ 1 Million	43.89	5.88	21.47	31.29	30.95
\$ 1 Million - \$ 10 Million	8.80	9.53	23.13	36.45	35.71
\$ 10 Million - \$ 100 Million	0.79	8.57	12.19	19.42	19.05
\$ 100 Million - \$1,000 Million	0.18	18.20	10.04	1.80	2.38
\$1,000 Million and over	0.03	57.07	27.42	0.96	**
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 1985

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	660	-\$ 79	-\$ 353	-\$ 36	
\$ 100,000 - \$ 1 Million	1,050	455	- 345	- 88	
\$ 1 Million - \$ 10 Million	1,980	7,911	- 2,345	- 360	
\$ 10 Million - \$ 100 Million	1,440	49,886	- 2,389	- 693	
\$ 100 Million - \$1,000 Million	520	141,729	- 1,290	- 461	
\$1,000 Million and over	240	1,958,148	- 69,180	- 900	
TOTAL	5,890	\$2,158,049	-\$75,902	-\$2,538	
B. Taxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	187	\$ 8	\$ 4,228	\$ 43	\$ 2
\$ 100,000 - \$ 1 Million	739	316	697	22	1
\$ 1 Million - \$ 10 Million	1,180	4,617	3,093	83	4
\$ 10 Million - \$ 100 Million	1,182	40,393	4,587	235	12
\$ 100 Million - \$1,000 Million	576	179,320	17,968	265	13
\$1,000 Million and over	229	1,738,623	79,397	839	42
TOTAL	4,092	\$1,963,276	\$109,970	\$1,487	\$74
C. Percentage Distribution of Nontaxable Returns					
Under \$ 100,000	11.21	*	0.47	1.42	
\$ 100,000 - \$ 1 Million	17.83	0.02	0.45	3.47	
\$ 1 Million - \$ 10 Million	33.62	0.37	3.09	14.18	
\$ 10 Million - \$ 100 Million	24.45	2.31	3.15	27.30	
\$ 100 Million - \$1,000 Million	8.83	6.57	1.70	18.16	
\$1,000 Million and over	4.07	90.74	91.14	35.46	
TOTAL	100.00	100.00	100.00	100.00	
D. Percentage Distribution of Taxable Returns					
Under \$ 100,000	4.57	*	3.84	2.89	2.70
\$ 100,000 - \$ 1 Million	18.06	0.02	0.63	1.48	1.35
\$ 1 Million - \$ 10 Million	28.84	0.24	2.81	5.58	5.41
\$ 10 Million - \$ 100 Million	28.89	2.06	4.17	15.80	16.22
\$ 100 Million - \$1,000 Million	14.08	9.13	16.34	17.82	17.57
\$1,000 Million and over	5.60	88.56	72.20	56.42	56.76
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 1985

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	15,901	\$ 420	-\$ 371	-\$ 383	
\$ 100,000 - \$ 1 Million	8,460	2,745	- 770	- 744	
\$ 1 Million - \$ 10 Million	2,320	7,514	- 2,182	- 1,302	
\$ 10 Million - \$ 100 Million	560	17,890	- 1,713	- 612	
\$ 100 Million - \$1,000 Million	140	34,090	- 944	- 714	
\$1,000 Million and over	20	24,696	- 811	- 174	
TOTAL	27,401	\$87,355	-\$6,792	-\$3,930	
B. Taxable Returns — Dollar Amounts in Millions					
Under \$ 100,000	7,615	\$ 301	\$ 84	\$ 84	\$ 4
\$ 100,000 - \$ 1 Million	7,230	2,370	250	252	12
\$ 1 Million - \$ 10 Million	1,678	4,458	399	311	16
\$ 10 Million - \$ 100 Million	239	6,055	496	208	10
\$ 100 Million - \$1,000 Million	43	10,061	354	54	3
\$1,000 Million and over	15	69,546	2,101	329	16
TOTAL	16,819	\$92,791	\$3,683	\$1,238	\$62
C. Percentage Distribution of Nontaxable Returns					
Under \$ 100,000	58.03	0.48	5.46	9.75	
\$ 100,000 - \$ 1 Million	30.87	3.14	11.34	18.93	
\$ 1 Million - \$ 10 Million	8.47	8.60	32.13	33.13	
\$ 10 Million - \$ 100 Million	2.04	20.48	25.22	15.57	
\$ 100 Million - \$1,000 Million	0.51	39.02	13.90	18.17	
\$1,000 Million and over	0.07	28.27	11.94	4.43	
TOTAL	100.00	100.00	100.00	100.00	
D. Percentage Distribution of Taxable Returns					
Under \$ 100,000	45.28	0.32	2.28	6.79	6.45
\$ 100,000 - \$ 1 Million	42.99	2.55	6.79	20.36	19.35
\$ 1 Million - \$ 10 Million	9.98	4.80	10.83	25.12	25.81
\$ 10 Million - \$ 100 Million	1.42	6.53	13.47	16.80	16.13
\$ 100 Million - \$1,000 Million	0.26	10.84	9.61	4.36	4.84
\$1,000 Million and over	0.09	74.95	57.05	26.58	25.81
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 1985

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	1,140	-\$ 50	-\$ 307	-\$ 39	
\$ 100,000 - \$ 1 Million	1,090	469	280	128	
\$ 1 Million - \$ 10 Million	1,820	6,556	1,137	201	
\$ 10 Million - \$ 100 Million	1,360	49,403	856	517	
\$ 100 Million - \$1,000 Million	580	188,429	664	198	
\$1,000 Million and over	220	1,933,452	68,369	725	
TOTAL	6,210	\$2,178,260	-\$71,614	-\$1,808	
B. Taxable Returns -- Dollar Amounts in Millions					
Under \$ 100,000	327	\$ 10	\$ 4,227	\$ 43	\$ 2
\$ 100,000 - \$ 1 Million	860	324	757	32	2
\$ 1 Million - \$ 10 Million	975	4,011	3,027	76	4
\$ 10 Million - \$ 100 Million	1,076	37,800	4,267	189	9
\$ 100 Million - \$1,000 Million	564	176,614	17,760	226	11
\$1,000 Million and over	219	1,692,138	77,693	517	26
TOTAL	4,020	\$1,910,895	\$107,731	\$1,083	\$54
C. Percentage Distribution of Nontaxable Returns					
Under \$ 100,000	18.36	*	0.43	2.16	
\$ 100,000 - \$ 1 Million	17.55	0.02	0.39	7.08	
\$ 1 Million - \$ 10 Million	29.31	0.30	1.59	11.12	
\$ 10 Million - \$ 100 Million	21.90	2.27	1.20	28.60	
\$ 100 Million - \$1,000 Million	9.34	8.65	0.93	10.95	
\$1,000 Million and over	3.54	88.76	95.47	40.10	
TOTAL	100.00	100.00	100.00	100.00	
D. Percentage Distribution of Taxable Returns					
Under \$ 100,000	8.13	*	3.92	3.97	3.70
\$ 100,000 - \$ 1 Million	21.39	0.02	0.70	2.95	3.70
\$ 1 Million - \$ 10 Million	24.25	0.21	2.81	7.02	7.41
\$ 10 Million - \$ 100 Million	26.77	1.98	3.96	17.45	16.67
\$ 100 Million - \$1,000 Million	14.03	9.24	16.49	20.87	20.37
\$1,000 Million and over	5.45	88.55	72.12	47.74	48.15
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 1985

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	475	806	2,402	1,378	491	3,957	4,862	10,614	24,983
\$ 100,000 - \$ 1 Million	827	780	2,272	1,491	712	4,803	2,803	3,952	17,640
\$ 1 Million - \$ 10 Million	312	625	718	901	261	1,436	1,671	871	6,793
\$ 10 Million - \$ 100 Million	26	385	202	734	256	503	606	524	3,235
\$ 100 Million - \$1,000 Million	5	157	50	453	127	170	312	54	1,326
\$1,000 Million and over	0	73	2	185	65	71	66	12	474
TOTAL	1,645	2,825	5,645	5,142	1,911	10,939	10,320	16,026	54,449
B. Percentage Distribution by Asset Class									
Under \$ 100,000	28.88	28.53	42.55	26.80	25.69	36.17	47.11	66.23	45.88
\$ 100,000 - \$ 1 Million	50.27	27.61	40.25	29.00	37.26	43.91	27.16	24.66	32.40
\$ 1 Million - \$ 10 Million	18.97	22.12	12.72	17.52	13.66	13.13	16.19	5.43	12.48
\$ 10 Million - \$ 100 Million	1.58	13.63	3.58	14.27	13.40	4.60	5.87	3.27	5.94
\$ 100 Million - \$1,000 Million	0.30	5.56	0.89	8.81	6.65	1.55	3.02	0.34	2.44
\$1,000 Million and over	0.00	2.58	0.04	3.60	3.40	0.65	0.64	0.07	0.87
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	1.90	3.23	9.61	5.52	1.97	15.84	19.46	42.48	100.00
\$ 100,000 - \$ 1 Million	4.69	4.42	12.88	8.45	4.04	27.23	15.89	22.40	100.00
\$ 1 Million - \$ 10 Million	4.59	9.20	10.57	13.26	3.84	21.14	24.60	12.82	100.00
\$ 10 Million - \$ 100 Million	0.80	11.90	6.24	22.69	7.91	15.55	18.73	16.20	100.00
\$ 100 Million - \$1,000 Million	0.38	11.84	3.77	34.16	9.58	12.82	23.53	4.07	100.00
\$1,000 Million and over	0.00	15.40	0.42	39.03	13.71	14.98	13.92	2.53	100.00
TOTAL	3.02	5.19	10.37	9.44	3.51	20.09	18.95	29.43	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 1985

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	360	660	1,780	1,080	400	2,840	3,480	6,441	17,041
\$ 100,000 - \$ 1 Million	460	600	1,420	820	540	2,200	1,630	1,880	9,550
\$ 1 Million - \$ 10 Million	200	500	440	540	120	600	1,240	500	4,140
\$ 10 Million - \$ 100 Million	20	280	140	340	180	240	400	320	1,920
\$ 100 Million - \$1,000 Million	0	120	40	200	100	40	220	0	720
\$1,000 Million and over	0	60	0	80	40	40	20	0	240
TOTAL	1,040	2,220	3,820	3,060	1,380	5,960	6,990	9,141	33,611
B. Percentage Distribution by Asset Class									
Under \$ 100,000	34.62	29.73	46.60	35.29	28.99	47.65	49.79	70.46	50.70
\$ 100,000 - \$ 1 Million	44.23	27.03	37.17	26.80	39.13	36.91	23.32	20.57	28.41
\$ 1 Million - \$ 10 Million	19.23	22.52	11.52	17.65	8.70	10.07	17.74	5.47	12.32
\$ 10 Million - \$ 100 Million	1.92	12.61	3.66	11.11	13.04	4.03	5.72	3.50	5.71
\$ 100 Million - \$1,000 Million	0.00	5.41	1.05	6.54	7.25	0.67	3.15	0.00	2.14
\$1,000 Million and over	0.00	2.70	0.00	2.61	2.90	0.67	0.29	0.00	0.71
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	2.11	3.87	10.45	6.34	2.35	16.67	20.42	37.80	100.00
\$ 100,000 - \$ 1 Million	4.82	6.28	14.87	8.59	5.65	23.04	17.07	19.69	100.00
\$ 1 Million - \$ 10 Million	4.83	12.08	10.63	13.04	2.90	14.49	29.95	12.08	100.00
\$ 10 Million - \$ 100 Million	1.04	14.58	7.29	17.71	9.38	12.50	20.83	16.67	100.00
\$ 100 Million - \$1,000 Million	0.00	16.67	5.56	27.78	13.89	5.56	30.56	0.00	100.00
\$1,000 Million and over	0.00	25.00	0.00	33.33	16.67	16.67	8.33	0.00	100.00
TOTAL	3.09	6.60	11.37	9.10	4.11	17.73	20.80	27.20	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 1985

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	115	146	622	298	91	1,117	1,382	4,173	7,942
\$ 100,000 - \$ 1 Million	367	180	852	671	172	2,603	1,173	2,072	8,090
\$ 1 Million - \$ 10 Million	112	125	278	361	141	836	431	371	2,653
\$ 10 Million - \$ 100 Million	6	105	62	394	76	263	206	204	1,315
\$ 100 Million - \$1,000 Million	5	37	10	253	27	130	92	54	606
\$1,000 Million and over	0	13	2	105	25	31	46	12	234
TOTAL	605	605	1,825	2,082	531	4,979	3,330	6,885	20,838
B. Percentage Distribution by Asset Class									
Under \$ 100,000	19.01	24.13	34.08	14.31	17.14	22.43	41.50	60.61	38.11
\$ 100,000 - \$ 1 Million	60.66	29.75	46.68	32.23	32.39	52.28	35.23	30.09	38.82
\$ 1 Million - \$ 10 Million	18.51	20.66	15.23	17.34	26.55	16.79	12.94	5.39	12.73
\$ 10 Million - \$ 100 Million	0.99	17.36	3.40	18.92	14.31	5.28	6.19	2.96	6.31
\$ 100 Million - \$1,000 Million	0.83	6.12	0.55	12.15	5.08	2.61	2.76	0.78	2.91
\$1,000 Million and over	0.00	2.15	0.11	5.04	4.71	0.62	1.38	0.17	1.12
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	1.45	1.84	7.83	3.75	1.15	14.06	17.40	52.54	100.00
\$ 100,000 - \$ 1 Million	4.54	2.22	10.53	8.29	2.13	32.18	14.50	25.61	100.00
\$ 1 Million - \$ 10 Million	4.22	4.71	10.48	13.61	5.31	31.51	16.25	13.98	100.00
\$ 10 Million - \$ 100 Million	0.46	7.98	4.71	29.96	5.78	20.00	15.67	15.51	100.00
\$ 100 Million - \$1,000 Million	0.83	6.11	1.65	41.75	4.46	21.45	15.18	8.91	100.00
\$1,000 Million and over	0.00	5.56	0.85	44.87	10.68	13.25	19.66	5.13	100.00
TOTAL	2.90	2.90	8.76	9.99	2.55	23.89	15.98	33.04	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 1985

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	\$ 49	\$ 196	\$ 426	\$ 714	\$ 542	\$ 672	\$ 1,569	\$ 2,173	\$ 6,342
\$ 100,000 - \$ 1 Million	508	235	1,668	1,906	330	4,431	1,705	3,284	14,066
\$ 1 Million - \$ 10 Million	610	664	1,822	3,526	633	6,043	2,817	3,192	19,307
\$ 10 Million - \$ 100 Million	160	808	828	6,585	2,062	3,289	3,937	2,131	19,800
\$ 100 Million - \$1,000 Million	39	1,239	858	5,917	928	2,504	1,359	1,152	13,996
\$1,000 Million and over	0	785	379	20,497	13,704	4,889	1,696	363	42,313
TOTAL	\$1,366	\$3,929	\$5,982	\$39,144	\$18,199	\$21,828	\$13,083	\$12,294	\$115,825
B. Percentage Distribution by Asset Class									
Under \$ 100,000	3.59	4.99	7.12	1.82	2.98	3.08	11.99	17.68	5.48
\$ 100,000 - \$ 1 Million	37.19	5.98	27.88	4.87	1.81	20.30	13.03	26.71	12.14
\$ 1 Million - \$ 10 Million	44.66	16.90	30.46	9.01	3.48	27.68	21.53	25.96	16.67
\$ 10 Million - \$ 100 Million	11.71	20.57	13.84	16.82	11.33	15.07	30.09	17.33	17.09
\$ 100 Million - \$1,000 Million	2.86	31.53	14.34	15.12	5.10	11.47	10.39	9.37	12.08
\$1,000 Million and over	0.00	19.98	6.34	52.36	75.30	22.40	12.96	2.95	36.53
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	0.77	3.09	6.72	11.26	8.55	10.60	24.74	34.26	100.00
\$ 100,000 - \$ 1 Million	3.61	1.67	11.86	13.55	2.35	31.50	12.12	23.35	100.00
\$ 1 Million - \$ 10 Million	3.16	3.44	9.44	18.26	3.28	31.30	14.59	16.53	100.00
\$ 10 Million - \$ 100 Million	0.81	4.08	4.18	33.26	10.41	16.61	19.88	10.76	100.00
\$ 100 Million - \$1,000 Million	0.28	8.85	6.13	42.28	6.63	17.89	9.71	8.23	100.00
\$1,000 Million and over	0.00	1.86	0.90	48.44	32.39	11.55	4.01	0.86	100.00
TOTAL	1.18	3.39	5.16	33.80	15.71	18.85	11.30	10.61	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 1985

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	465	698	2,343	1,312	469	3,897	4,747	10,208	24,137
\$ 100,000 - \$ 1 Million	800	425	2,057	1,338	632	4,587	2,483	3,531	15,851
\$ 1 Million - \$ 10 Million	242	186	318	423	126	936	1,109	295	3,633
\$ 10 Million - \$ 100 Million	25	47	9	14	44	17	384	75	613
\$ 100 Million - \$1,000 Million	0	80	1	1	21	10	115	2	230
\$1,000 Million and over	0	0	1	2	0	0	2	0	5
TOTAL	1,531	1,435	4,729	3,089	1,291	9,446	8,840	14,109	44,468
B. Percentage Distribution by Asset Class									
Under \$ 100,000	30.37	48.64	49.55	42.47	36.33	41.26	53.70	72.35	54.28
\$ 100,000 - \$ 1 Million	52.25	29.62	43.50	43.31	48.95	48.56	28.09	25.03	35.65
\$ 1 Million - \$ 10 Million	15.81	12.96	6.72	13.69	9.76	9.91	12.55	2.09	8.17
\$ 10 Million - \$ 100 Million	1.63	3.28	0.19	0.45	3.41	0.18	4.34	0.53	1.38
\$ 100 Million - \$1,000 Million	0.00	5.57	0.02	0.03	1.63	0.11	1.30	0.01	0.52
\$1,000 Million and over	0.00	0.00	0.02	0.06	0.00	0.00	0.02	0.00	0.01
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	1.93	2.89	9.71	5.44	1.94	16.15	19.67	42.29	100.00
\$ 100,000 - \$ 1 Million	5.05	2.68	12.98	8.44	3.99	28.94	15.66	22.28	100.00
\$ 1 Million - \$ 10 Million	6.66	5.12	8.75	11.64	3.47	25.76	30.53	8.12	100.00
\$ 10 Million - \$ 100 Million	4.08	7.67	1.47	2.28	7.18	2.77	62.64	12.23	100.00
\$ 100 Million - \$1,000 Million	0.00	34.78	0.43	0.43	9.13	4.35	50.00	0.87	100.00
\$1,000 Million and over	0.00	0.00	20.00	40.00	0.00	0.00	40.00	0.00	100.00
TOTAL	3.44	3.23	10.63	6.95	2.90	21.24	19.88	31.73	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 1985

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	\$ 49	\$ 101	\$ 411	\$ 185	\$ 57	\$ 646	\$ 641	\$2,085	\$ 4,179
\$ 100,000 - \$ 1 Million	492	154	1,576	1,436	283	4,319	1,573	3,143	12,979
\$ 1 Million - \$ 10 Million	502	389	1,490	2,438	460	4,971	2,392	2,528	15,172
\$ 10 Million - \$ 100 Million	59	358	514	1,697	825	1,201	2,668	763	8,086
\$ 100 Million - \$1,000 Million	0	0	60	37	39	2	488	139	764
\$1,000 Million and over	0	0	41	131	0	0	212	0	384
TOTAL	\$1,102	\$1,003	\$4,092	\$5,924	\$1,663	\$11,138	\$7,975	\$8,658	\$41,559
B. Percentage Distribution by Asset Class									
Under \$ 100,000	4.45	10.07	10.04	3.12	3.43	5.80	8.04	24.08	10.05
\$ 100,000 - \$ 1 Million	44.65	15.35	38.51	24.24	17.02	38.78	19.72	36.30	31.22
\$ 1 Million - \$ 10 Million	45.55	38.78	36.41	41.15	27.66	44.63	29.99	29.20	36.51
\$ 10 Million - \$ 100 Million	5.35	35.69	12.56	28.65	49.61	10.78	33.45	8.81	19.46
\$ 100 Million - \$1,000 Million	0.00	0.00	1.47	0.62	2.35	0.02	6.12	1.61	1.84
\$1,000 Million and over	0.00	0.00	1.00	2.21	0.00	0.00	2.66	0.00	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	1.17	2.42	9.84	4.43	1.37	15.47	15.35	49.94	100.00
\$ 100,000 - \$ 1 Million	3.79	1.19	12.15	11.07	2.18	33.29	12.12	24.22	100.00
\$ 1 Million - \$ 10 Million	3.31	2.56	9.82	16.07	3.03	32.76	15.77	16.66	100.00
\$ 10 Million - \$ 100 Million	0.73	4.43	6.36	20.99	10.20	14.85	33.00	9.44	100.00
\$ 100 Million - \$1,000 Million	0.00	0.00	7.85	4.84	5.10	0.26	63.87	18.19	100.00
\$1,000 Million and over	0.00	0.00	10.68	34.11	0.00	0.00	55.21	0.00	100.00
TOTAL	2.65	2.41	9.85	14.26	4.00	26.80	19.19	20.84	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 1985

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	108	59	66	22	60	115	407	847
\$ 100,000 - \$ 1 Million	28	356	215	154	81	216	320	421	1,790
\$ 1 Million - \$ 10 Million	70	439	400	478	136	500	562	576	3,160
\$ 10 Million - \$ 100 Million	1	338	193	721	212	487	222	450	2,622
\$ 100 Million - \$1,000 Million	5	77	49	452	106	160	197	52	1,096
\$1,000 Million and over	0	73	1	183	65	71	64	12	469
TOTAL	114	1,390	916	2,053	620	1,493	1,480	1,917	9,982
B. Percentage Distribution by Asset Class									
Under \$ 100,000	8.77	7.77	6.44	3.21	3.55	4.02	7.77	21.23	8.49
\$ 100,000 - \$ 1 Million	24.56	25.61	23.47	7.50	13.06	14.47	21.62	21.96	17.93
\$ 1 Million - \$ 10 Million	61.40	31.58	43.67	23.28	21.94	33.49	37.97	30.05	31.66
\$ 10 Million - \$ 100 Million	0.88	24.32	21.07	35.12	34.19	32.62	15.00	23.47	26.27
\$ 100 Million - \$1,000 Million	4.39	5.54	5.35	22.02	17.10	10.72	13.31	2.71	10.98
\$1,000 Million and over	0.00	5.25	0.11	8.91	10.48	4.76	4.32	0.63	4.70
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	1.18	12.75	6.97	7.79	2.60	7.08	13.58	48.05	100.00
\$ 100,000 - \$ 1 Million	1.56	19.89	12.01	8.60	4.53	12.07	17.88	23.52	100.00
\$ 1 Million - \$ 10 Million	2.22	13.89	12.66	15.13	4.30	15.82	17.78	18.23	100.00
\$ 10 Million - \$ 100 Million	0.04	12.89	7.36	27.50	8.09	18.57	8.47	17.16	100.00
\$ 100 Million - \$1,000 Million	0.46	7.03	4.47	41.24	9.67	14.60	17.97	4.74	100.00
\$1,000 Million and over	0.00	15.57	0.21	39.02	13.86	15.14	13.65	2.56	100.00
TOTAL	1.14	13.93	9.18	20.57	6.21	14.96	14.83	19.20	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 1985

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	\$ 1	\$ 96	\$ 15	\$ 529	\$ 485	\$ 26	\$ 928	\$ 88	\$ 2,167
\$ 100,000 - \$ 1 Million	16	81	92	470	47	112	131	142	1,091
\$ 1 Million - \$ 10 Million	108	275	331	1,088	173	1,072	425	664	4,136
\$ 10 Million - \$ 100 Million	101	450	314	4,888	1,237	2,089	1,270	1,367	11,715
\$ 100 Million - \$1,000 Million	39	1,239	798	5,880	889	2,502	871	1,013	13,231
\$1,000 Million and over	0	785	339	20,365	13,704	4,889	1,484	363	41,929
TOTAL	\$264	\$2,926	\$1,889	\$33,220	\$16,536	\$10,690	\$5,109	\$3,636	\$74,270
B. Percentage Distribution by Asset Class									
Under \$ 100,000	0.38	3.28	0.79	1.59	2.93	0.24	18.16	2.42	2.92
\$ 100,000 - \$ 1 Million	6.06	2.77	4.87	1.41	0.28	1.05	2.56	3.91	1.47
\$ 1 Million - \$ 10 Million	40.91	9.40	17.52	3.28	1.05	10.03	8.32	18.26	5.57
\$ 10 Million - \$ 100 Million	38.26	15.38	16.62	14.71	7.48	19.54	24.86	37.60	15.77
\$ 100 Million - \$1,000 Million	14.77	42.34	42.24	17.70	5.38	23.41	17.05	27.86	17.81
\$1,000 Million and over	0.00	26.83	17.95	61.30	82.87	45.73	29.05	9.98	56.45
* 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	0.05	4.43	0.69	24.41	22.38	1.20	42.82	4.06	100.00
\$ 100,000 - \$ 1 Million	1.47	7.42	8.43	43.08	4.31	10.27	12.01	13.02	100.00
\$ 1 Million - \$ 10 Million	2.61	6.65	8.00	26.31	4.18	25.92	10.28	16.05	100.00
\$ 10 Million - \$ 100 Million	0.86	3.84	2.68	41.72	10.56	17.83	10.84	11.67	100.00
\$ 100 Million - \$1,000 Million	0.29	9.36	6.03	44.44	6.72	18.91	6.58	7.66	100.00
\$1,000 Million and over	0.00	1.87	0.81	48.57	32.68	11.66	3.54	0.87	100.00
TOTAL	0.36	3.94	2.54	44.73	22.26	14.39	6.88	4.90	100.00

TABLE 39. DISTRIBUTION OF ALL RETURNS BY INDUSTRY CLASSES
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1985

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	1,645	1,040	605	-\$ 249,925	\$ 260,653	-\$ 246,444	\$ 27,394	\$ 1,366
Mining	2,825	2,220	605	- 4,169,010	13,292,274	- 1,132,008	78,687	3,929
Construction	5,645	3,820	1,825	- 943,306	665,665	- 285,473	120,090	5,982
Manufacturing	5,142	3,060	2,082	- 16,352,910	59,168,864	- 947,526	783,695	39,144
Transportation	1,122	760	362	- 561,096	1,829,985	- 83,767	56,893	2,843
Communication and Utilities	789	620	169	- 61,321,228	4,106,837	- 716,715	307,165	15,356
Wholesale Trade	2,890	1,660	1,230	- 859,265	4,779,826	- 112,282	102,332	5,099
Retail Trade	8,049	4,300	3,749	9,926,522	7,722,942	- 689,504	335,350	16,729
Finance, Insurance, Real Estate	10,320	6,990	3,330	- 2,425,142	15,449,081	- 1,036,976	262,073	13,083
Lodging	342	200	142	- 5,022	427,032	- 5,017	12,831	641
Services	15,631	8,921	6,710	- 1,444,960	3,709,988	- 482,124	233,726	11,623
Not Classified Elsewhere	53	20	33	- 3	833	- 3	603	30
TOTAL	54,449	33,611	20,838	-\$78,405,345	\$111,413,980	-\$5,737,839	\$2,320,839	\$115,825
B. Percentage Distribution								
Agriculture	3.02	3.09	2.90	0.32	0.23	4.30	1.18	1.18
Mining	5.19	6.60	2.90	5.32	11.93	19.73	3.39	3.39
Construction	10.37	11.37	8.76	1.20	0.60	4.98	5.17	5.16
Manufacturing	9.44	9.10	9.99	20.86	53.11	16.51	33.77	33.80
Transportation	2.06	2.26	1.74	0.72	1.64	1.46	2.45	2.45
Communication and Utilities	1.45	1.84	0.81	78.21	3.69	12.49	13.24	13.20
Wholesale Trade	5.31	4.94	5.90	1.10	4.29	1.96	4.41	4.40
Retail Trade	14.78	12.79	17.99	-12.66	6.93	12.02	14.45	14.44
Finance, Insurance, Real Estate	18.95	20.80	15.98	3.09	13.87	18.07	11.29	11.30
Lodging	0.63	0.60	0.68	0.01	0.38	0.09	0.55	0.55
Services	28.71	26.54	32.20	1.84	3.33	8.40	10.07	10.03
Not Classified Elsewhere	0.10	0.06	0.16	**	**	**	0.03	0.03
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

** Less than .01 percent

TABLE 40. DISTRIBUTION OF DOMESTIC RETURNS BY INDUSTRY CLASSES
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1985

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	1,493	1,000	493	-\$ 144,278	\$ 21,919	-\$ 143,571	\$ 21,247	\$ 1,060
Mining	1,813	1,440	373	- 1,943,691	262,502	- 601,810	32,872	1,639
Construction	4,784	3,160	1,624	- 262,632	99,943	- 216,841	94,059	4,683
Manufacturing	3,237	2,020	1,217	- 1,081,658	1,327,364	- 659,935	257,482	12,859
Transportation	751	560	191	- 55,134	30,218	- 57,302	14,284	713
Communication and Utilities	547	440	107	- 1,832,348	1,152,444	- 562,798	253,538	12,676
Wholesale Trade	2,288	1,380	908	- 81,801	85,693	- 72,525	66,312	3,302
Retail Trade	6,914	3,720	3,194	- 361,547	210,949	- 286,986	176,315	8,784
Finance, Insurance, Real Estate	8,371	5,660	2,711	- 416,585	295,148	- 942,614	142,875	7,128
Lodging	246	160	86	- 4,785	6,342	- 4,780	6,595	329
Services	13,726	7,841	5,885	- 607,318	190,057	- 380,711	171,618	8,528
Not Classified Elsewhere	53	20	33	- 3	834	- 3	603	30
TOTAL	44,220	27,401	16,819	-\$6,791,781	\$3,683,411	-\$3,929,876	\$1,237,800	\$61,732
B. Percentage Distribution								
Agriculture	3.38	3.65	2.93	2.12	0.60	3.65	1.72	1.72
Mining	4.10	5.26	2.22	28.62	7.13	15.31	2.66	2.66
Construction	10.82	11.53	9.66	3.87	2.71	5.52	7.60	7.59
Manufacturing	7.32	7.37	7.24	15.93	36.04	16.79	20.80	20.83
Transportation	1.70	2.04	1.14	0.81	0.82	1.46	1.15	1.15
Communication and Utilities	1.24	1.61	0.64	26.98	31.29	14.32	20.48	20.53
Wholesale Trade	5.17	5.04	5.40	1.20	2.33	1.85	5.36	5.35
Retail Trade	15.64	13.58	18.99	5.32	5.73	7.30	14.24	14.23
Finance, Insurance, Real Estate	18.93	20.66	16.12	6.13	8.01	23.99	11.54	11.55
Lodging	0.56	0.58	0.51	0.07	0.17	0.12	0.53	0.53
Services	31.04	28.62	34.99	8.94	5.16	9.69	13.86	13.81
Not Classified Elsewhere	0.12	0.07	0.20	**	0.02	**	0.05	0.05
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

** Less than .01 percent

TABLE 41. DISTRIBUTION OF FOREIGN RETURNS BY INDUSTRY CLASSES
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1985

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	152	40	112	-\$ 105,647	\$ 238,734	-\$ 102,873	\$ 6,147	\$ 306
Mining	1,012	780	232	- 2,225,319	13,029,772	- 530,198	45,815	2,289
Construction	861	660	201	- 680,674	565,722	- 68,632	26,031	1,298
Manufacturing	1,905	1,040	865	- 15,271,251	57,841,500	- 287,591	526,213	26,285
Transportation	371	200	171	- 505,961	1,799,767	- 26,465	42,609	2,130
Communication and Utilities	243	180	63	- 59,488,881	2,954,394	- 153,916	53,626	2,680
Wholesale Trade	603	280	323	- 777,464	4,694,134	- 39,758	36,020	1,798
Retail Trade	1,135	580	555	10,288,069	7,511,993	- 402,518	159,036	7,944
Finance, Insurance, Real Estate	1,949	1,330	619	- 2,008,557	15,153,933	- 94,362	119,198	5,955
Lodging	96	40	56	- 237	420,690	- 237	6,236	312
Services	1,906	1,080	826	- 837,642	3,519,931	- 101,413	62,107	3,095
Not Classified Elsewhere	0	0	0	0	0	0	0	0
TOTAL	10,230	6,210	4,020	-\$71,613,563	\$107,730,569	-\$1,807,963	\$1,083,039	\$54,093
B. Percentage Distribution								
Agriculture	1.49	0.64	2.79	0.15	0.22	5.69	0.57	0.57
Mining	9.89	12.56	5.77	3.11	12.09	29.33	4.23	4.23
Construction	8.42	10.63	5.00	0.95	0.53	3.80	2.40	2.40
Manufacturing	18.62	16.75	21.52	21.32	53.69	15.91	48.59	48.59
Transportation	3.63	3.22	4.25	0.71	1.67	1.46	3.93	3.94
Communication and Utilities	2.38	2.90	1.57	83.07	2.74	8.51	4.95	4.95
Wholesale Trade	5.89	4.51	8.03	1.09	4.36	2.20	3.33	3.32
Retail Trade	11.09	9.34	13.81	-14.37	6.97	22.26	14.68	14.69
Finance, Insurance, Real Estate	19.05	21.42	15.40	2.80	14.07	5.22	11.01	11.01
Lodging	0.94	0.64	1.39	**	0.39	0.01	0.58	0.58
Services	18.63	17.39	20.55	1.17	3.27	5.61	5.73	5.72
Not Classified Elsewhere	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

** Less than .01 percent

TABLE 42. DISTRIBUTION OF INTRASTATE RETURNS BY INDUSTRY CLASSES
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1985

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	1,531	1,000	531	-\$ 241,111	\$ 21,392	-\$ 242,963	\$ 22,110	\$ 1,102
Mining	1,435	1,160	275	- 432,057	20,244	- 434,402	20,128	1,003
Construction	4,729	3,160	1,569	- 133,634	90,226	- 138,957	82,223	4,092
Manufacturing	3,089	1,980	1,109	- 592,620	685,803	- 633,589	118,754	5,924
Transportation	724	560	164	- 54,075	8,433	- 56,826	8,638	431
Communication and Utilities	567	460	107	- 223,370	24,479	- 226,653	24,643	1,232
Wholesale Trade	2,239	1,360	879	- 18,150	51,060	- 65,696	52,612	2,619
Retail Trade	7,207	3,900	3,307	- 191,773	180,110	- 161,983	171,052	8,519
Finance, Insurance, Real Estate	8,840	6,080	2,760	- 355,830	166,797	- 900,329	159,788	7,975
Lodging	306	200	106	- 5,022	11,465	- 5,017	8,625	431
Services	13,751	7,841	5,910	- 255,350	183,547	- 333,137	165,252	8,208
Not Classified Elsewhere	52	20	32	- 3	389	- 3	379	19
TOTAL	44,468	27,721	16,747	-\$2,502,994	\$1,443,945	-\$3,199,555	\$834,202	\$41,555
B. Percentage Distribution								
Agriculture	3.44	3.61	3.17	9.63	1.48	7.59	2.65	2.65
Mining	3.23	4.18	1.64	17.26	1.40	13.58	2.41	2.41
Construction	10.63	11.40	9.37	5.34	6.25	4.34	9.86	9.85
Manufacturing	6.95	7.14	6.62	23.68	47.50	19.80	14.24	14.26
Transportation	1.63	2.02	0.98	2.16	0.58	1.78	1.04	1.04
Communication and Utilities	1.28	1.66	0.64	8.92	1.70	7.08	2.95	2.96
Wholesale Trade	5.04	4.91	5.25	0.73	3.54	2.05	6.31	6.30
Retail Trade	16.21	14.07	19.75	7.66	12.47	5.06	20.50	20.50
Finance, Insurance, Real Estate	19.88	21.93	16.48	14.22	11.55	28.14	19.15	19.19
Lodging	0.69	0.72	0.63	0.20	0.79	0.16	1.03	1.04
Services	30.92	28.29	35.29	10.20	12.71	10.41	19.81	19.75
Not Classified Elsewhere	0.12	0.07	0.19	**	0.03	**	0.05	0.05
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

** Less than .01 percent

TABLE 43. DISTRIBUTION OF INTERSTATE RETURNS BY INDUSTRY CLASSES
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1985

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	114	40	74	-\$ 8,814	\$ 239,261	-\$ 3,482	\$ 5,284	\$ 264
Mining	1,390	1,060	330	- 3,736,954	13,272,030	- 697,606	58,559	2,926
Construction	916	660	256	- 809,672	575,439	- 146,516	37,867	1,889
Manufacturing	2,053	1,080	973	- 15,760,289	58,483,061	- 313,937	664,941	33,220
Transportation	398	200	198	- 507,020	1,821,552	- 26,941	48,255	2,412
Communication and Utilities	223	160	63	- 61,097,858	4,082,358	- 490,062	282,521	14,124
Wholesale Trade	651	300	351	- 841,116	4,728,766	- 46,587	49,720	2,481
Retail Trade	842	400	442	10,118,295	7,542,832	- 527,521	164,299	8,209
Finance, Insurance, Real Estate	1,480	910	570	- 2,069,312	15,282,284	- 136,647	102,285	5,109
Lodging	36	0	36	0	415,566	0	4,207	210
Services	1,880	1,080	800	- 1,189,610	3,526,441	- 148,987	68,474	3,415
Not Classified Elsewhere	2	0	2	0	444	0	224	11
TOTAL	9,982	5,890	4,092	-\$75,902,351	\$109,970,035	-\$2,538,284	\$1,486,637	\$74,270
B. Percentage Distribution								
Agriculture	1.14	0.68	1.81	0.01	0.22	0.14	0.36	0.36
Mining	13.93	18.00	8.06	4.92	12.07	27.48	3.94	3.94
Construction	9.18	11.21	6.26	1.07	0.52	5.77	2.55	2.54
Manufacturing	20.57	18.34	23.78	20.76	53.18	12.37	44.73	44.73
Transportation	3.99	3.40	4.84	0.67	1.66	1.06	3.25	3.25
Communication and Utilities	2.23	2.72	1.54	80.50	3.71	19.31	19.00	19.02
Wholesale Trade	6.52	5.09	8.58	1.11	4.30	1.84	3.34	3.34
Retail Trade	8.44	6.79	10.80	-13.33	6.86	20.78	11.05	11.05
Finance, Insurance, Real Estate	14.83	15.45	13.93	2.73	13.90	5.38	6.88	6.88
Lodging	0.36	0.00	0.88	0.00	0.38	0.00	0.28	0.28
Services	18.83	18.34	19.55	1.57	3.21	5.87	4.61	4.60
Not Classified Elsewhere	0.02	0.00	0.05	0.00	**	0.00	0.02	0.01
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

** Less than .01 percent

TABLE 44. DISTRIBUTION OF INTERSTATE RETURNS USING TWO-FACTOR FORMULA BY INDUSTRY CLASSES
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1985

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	44	20	24	-\$ 6,972	\$ 3,301	-\$ 3,244	\$ 1,617	\$ 81
Mining	706	540	166	- 1,635,032	11,270,385	- 90,838	24,917	1,245
Construction	453	320	133	- 625,948	95,108	- 23,135	8,929	443
Manufacturing	659	400	259	- 85,042	15,942,439	- 121,298	319,708	15,976
Transportation	126	60	66	- 80,821	1,120,718	- 539	31,460	1,572
Communication and Utilities	94	80	14	- 59,916,773	2,171,466	- 221,647	265,240	13,262
Wholesale Trade	323	140	183	- 143,578	3,285,429	- 6,170	22,151	1,107
Retail Trade	343	160	183	- 3,667,126	1,479,162	- 475,581	52,993	2,646
Finance, Insurance, Real Estate	825	540	285	- 412,677	1,041,147	- 26,026	28,015	1,399
Lodging	20	0	20	0	15,275	0	127	6
Services	864	520	344	- 323,347	1,028,986	- 20,892	27,322	1,363
Not Classified Elsewhere	0	0	0	0	0	0	0	0
TOTAL	4,456	2,780	1,676	-\$66,897,315	\$37,453,416	-\$989,372	\$782,479	\$39,100
B. Percentage Distribution								
Agriculture	0.99	0.72	1.43	0.01	0.01	0.33	0.21	0.21
Mining	15.84	19.42	9.90	2.44	30.09	9.18	3.18	3.18
Construction	10.17	11.51	7.94	0.94	0.25	2.34	1.14	1.13
Manufacturing	14.79	14.39	15.45	0.13	42.57	12.26	40.86	40.86
Transportation	2.83	2.16	3.94	0.12	2.99	0.05	4.02	4.02
Communication and Utilities	2.11	2.88	0.84	89.57	5.80	22.40	33.90	33.92
Wholesale Trade	7.25	5.04	10.92	0.21	8.77	0.62	2.83	2.83
Retail Trade	7.70	5.76	10.92	5.48	3.95	48.07	6.77	6.77
Finance, Insurance, Real Estate	18.51	19.42	17.00	0.62	2.78	2.63	3.58	3.58
Lodging	0.45	0.00	1.19	0.00	0.04	0.00	0.02	0.02
Services	19.39	18.71	20.53	0.48	2.75	2.11	3.49	3.49
Not Classified Elsewhere	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

TABLE 45. DISTRIBUTION OF INTERSTATE RETURNS USING THREE-FACTOR FORMULA BY INDUSTRY CLASSES
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1985

Industry Class	Number of Returns			Federal Taxable Income		Colorado Taxable Income		Colorado
	Total	Nontaxable	Taxable	Nontaxable	Taxable	Nontaxable	Taxable	Tax Liability
A. Dollar Amounts in Thousands								
Agriculture	70	20	50	-\$ 1,842	\$ 235,961	-\$ 238	\$ 3,667	\$ 184
Mining	665	500	165	- 2,056,458	2,001,645	- 600,914	33,642	1,681
Construction	463	340	123	- 183,724	480,331	- 123,381	28,938	1,446
Manufacturing	1,364	660	704	- 15,675,246	33,981,601	- 192,637	225,699	11,267
Transportation	244	140	104	- 426,200	644,577	- 26,402	16,515	825
Communication and Utilities	129	80	49	- 1,181,085	1,910,893	- 268,414	17,281	862
Wholesale Trade	328	160	168	- 697,538	1,443,337	- 40,417	27,569	1,374
Retail Trade	498	240	258	13,785,421	5,923,947	- 51,940	109,942	5,495
Finance, Insurance, Real Estate	646	370	276	- 1,656,636	5,903,974	- 110,620	70,103	3,502
Lodging	15	0	15	0	234,564	0	3,562	178
Services	1,009	560	449	- 866,262	2,215,028	- 128,095	40,490	2,018
Not Classified Elsewhere	2	0	2	0	444	0	224	11
TOTAL	5,431	3,070	2,361	- \$8,959,570	\$54,976,301	-\$1,543,057	\$577,632	\$28,842
B. Percentage Distribution								
Agriculture	1.29	0.65	2.12	0.02	0.43	0.02	0.63	0.64
Mining	12.24	16.29	6.99	22.95	3.64	38.94	5.82	5.83
Construction	8.53	11.07	5.21	2.05	0.87	8.00	5.01	5.01
Manufacturing	25.12	21.50	29.82	174.96	61.81	12.48	39.07	39.06
Transportation	4.49	4.56	4.40	4.76	1.17	1.71	2.86	2.86
Communication and Utilities	2.38	2.61	2.08	13.18	3.48	17.39	2.99	2.99
Wholesale Trade	6.04	5.21	7.12	7.79	2.63	2.62	4.77	4.76
Retail Trade	9.17	7.82	10.93	-153.86	10.78	3.37	19.03	19.05
Finance, Insurance, Real Estate	11.89	12.05	11.69	18.49	10.74	7.17	12.14	12.14
Lodging	0.28	0.00	0.64	0.00	0.43	0.00	0.62	0.62
Services	18.58	18.24	19.02	9.67	4.03	8.30	7.01	7.00
Not Classified Elsewhere	0.04	0.00	0.08	0.00	**	0.00	0.04	0.04
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

** Less than .01 percent

TABLE 46. DISTRIBUTION OF INTERSTATE RETURNS USING SPECIAL APPORTIONMENT METHODS BY INDUSTRY CLASSES
COLORADO CORPORATION INCOME TAX RETURNS FILED IN FISCAL YEAR 1985

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	0	0	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Mining	20	20	0	- 45,464	0	- 5,853	0	0
Construction	0	0	0	0	0	0	0	0
Manufacturing	30	20	10	- 2	8,559,021	- 2	119,534	5,977
Transportation	28	0	28	0	56,257	0	280	14
Communication and Utilities	0	0	0	0	0	0	0	0
Wholesale Trade	0	0	0	0	0	0	0	0
Retail Trade	1	0	1	0	139,723	0	1,363	68
Finance, Insurance, Real Estate	9	0	9	0	8,337,162	0	4,168	208
Lodging	1	0	1	0	165,728	0	518	26
Services	7	0	7	0	282,427	0	662	34
Not Classified Elsewhere	0	0	0	0	0	0	0	0
TOTAL	96	40	56	-\$45,466	\$17,540,318	-\$5,855	\$126,525	\$6,327
B. Percentage Distribution								
Agriculture	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mining	20.83	50.00	0.00	99.99	0.00	99.97	0.00	0.00
Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Manufacturing	31.25	50.00	17.86	**	48.80	0.03	94.47	94.47
Transportation	29.17	0.00	50.00	0.00	0.32	0.00	0.22	0.22
Communication and Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wholesale Trade	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Retail Trade	1.04	0.00	1.79	0.00	0.80	0.00	1.08	1.07
Finance, Insurance, Real Estate	9.38	0.00	16.07	0.00	47.53	0.00	3.29	3.29
Lodging	1.04	0.00	1.79	0.00	0.94	0.00	0.41	0.41
Services	7.29	0.00	12.50	0.00	1.61	0.00	0.52	0.54
Not Classified Elsewhere	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	100.00	100.00	100.00	100.00	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 ^{1/} or the Multistate Tax Compact ^{2/}.

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 ^{3/} 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 ^{4/}.

A 1980 court case ^{5/} 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 ^{6/} 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 preceeding 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.
- o 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 persona 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 back and forward for the same number of years as a federal loss^{7/}. The Colorado taxable income is reduced by any Colorado net operating loss deduction before the Colorado tax is computed.

Rate of Tax

With the exception of corporations eligible and electing to file under the Multistate Compact option, 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 a 5% rate reduced as specified in the following tables.

(a) For taxable years beginning on or after January 1, 1981 but before January 1, 1982:

- Rate Reduction -		
Taxable Income		Reduction
Over	But Not Over	
\$ 0....	\$ 25,000....	1%
\$ 25,000....	\$ 50,000....	\$250 plus 1/2% of excess over \$25,000
\$ 50,000.....		\$375

- Net Tax -		
Taxable Income		Reduction
Over	But Not Over	
\$ 0....	\$ 25,000....	4%
\$ 25,000....	\$ 50,000....	\$1000 plus 4 1/2% of excess over \$25,000
\$ 50,000.....		\$2125 plus 5% of excess over \$50,000

(b) For taxable years beginning on or after January 1, 1982 but before January 1, 1983:

- Rate Reduction -		
Taxable Income		Reduction
Over	But Not Over	
\$ 0....	\$ 25,000....	1%
\$ 25,000....	\$ 75,000....	\$250 plus 1/2% of excess over \$25,000
\$ 75,000.....		\$500

- Net Tax -		
Taxable Income		Reduction
Over	But Not Over	
\$ 0....	\$ 25,000....	4%
\$ 25,000....	\$ 75,000....	\$1000 plus 4 1/2% of excess over \$25,000
\$ 75,000.....		\$3250 plus 5% of excess over \$75,000

(c) For taxable years beginning on or after January 1, 1988 but before January 1, 1989:

- Rate Reduction -		
Taxable Income		Reduction
Over	But Not Over	
\$ 0....	\$ 25,000....	2 1/2%
\$ 25,000....	\$ 50,000....	\$625 plus 2% of excess over \$25,000
\$ 50,000....	\$ 75,000....	\$1125 plus 1% of excess over \$50,000
\$ 75,000....	\$100,000....	\$1375 plus 1/2% of excess over \$75,000
\$100,000.....		\$1500

- Net Tax -		
Taxable Income		Reduction
Over	But Not Over	
\$ 0....	\$ 25,000....	2 1/2%
\$ 25,000....	\$ 50,000....	\$625 plus 3% of excess over \$25,000
\$ 50,000....	\$ 75,000....	\$1375 plus 4% of excess over \$50,000
\$ 75,000....	\$100,000....	\$2375 plus 4 1/2% of excess over \$75,000
\$100,000.....		\$3500 plus 5% of excess over \$100,000

(d) For taxable years beginning on or after January 1, 1989 but before January 1, 1990:

- Rate Reduction -			- Net Tax -		
Taxable Income		Reduction	Taxable Income		Reduction
Over	But Not Over		Over	But Not Over	
\$ 0.....	\$ 25,000.....	3%	\$ 0.....	\$ 25,000.....	2%
\$ 25,000.....	\$ 50,000.....	\$750 plus 2 1/2% of excess over \$25,000	\$ 25,000.....	\$ 50,000.....	\$500 plus 2 1/2% of excess over \$25,000
\$ 50,000.....	\$ 75,000.....	\$1375 plus 1 1/2% of excess over \$50,000	\$ 50,000.....	\$ 75,000.....	\$1125 plus 3% of excess over \$50,000
\$ 75,000.....	\$100,000.....	\$1750 plus 1/2% of excess over \$75,000	\$ 75,000.....	\$100,000.....	\$2000 plus 4 1/2% of excess over \$75,000
\$100,000.....		\$1875	\$100,000.....		\$3125 plus 5% of excess over \$100,000

(e) For taxable years beginning on or after January 1, 1990:

- Rate Reduction -			- Net Tax -		
Taxable Income		Reduction	Taxable Income		Reduction
Over	But Not Over		Over	But Not Over	
\$ 0.....	\$ 25,000.....	3 1/2%	\$ 0.....	\$ 25,000.....	1 1/2%
\$ 25,000.....	\$ 50,000.....	\$875 plus 3% of excess over \$25,000	\$ 25,000.....	\$ 50,000.....	\$375 plus 2% of excess over \$25,000
\$ 50,000.....	\$ 75,000.....	\$1625 plus 2% of excess over \$50,000	\$ 50,000.....	\$ 75,000.....	\$875 plus 3% of excess over \$50,000
\$ 75,000.....	\$100,000.....	\$2125 plus 1% of excess over \$75,000	\$ 75,000.....	\$100,000.....	\$1625 plus 4% of excess over \$75,000
\$100,000.....		\$2375	\$100,000.....		\$2625 plus 5% of excess over \$100,000

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 is 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 applies 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.

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 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.

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, 1984 through June 30, 1985. 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 79,421 corporate income tax returns were processed during fiscal year 1985. 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 8,380 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 0.07 percent of the actual value of Colorado tax liability.

Colorado corporate income tax reported to the Department of Revenue amounted to \$110.9 million. The estimate based on this sample was \$115.8 million or a difference of 4.42 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	1,683	0.00	\$ 0
\$ 1 to \$ 500	896	4.50	1,766
\$ 500 to \$ 1,500	850	0.95	4,701
\$1,500 to \$ 3,000	751	0.64	6,380
\$3,000 to \$10,000	1,640	0.50	12,565
Over \$10,000	<u>1,265</u>	<u>0.00</u>	<u>90,412</u>
Total	7,085	0.04	\$115,825

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/ The 1983 General Assembly passed HB 1595 which provides that net operating losses incurred in taxable years beginning on or after January 1, 1984 may only be carried forward and may not be carried back.

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 _____
 5,6. Interest _____
 7. Rents _____
 8. Royalties _____
 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 _____

TRANSCRIBER _____

FYE 1985 CORPORATE TAX STUDY

F. MULTISTATE APPORTIONMENT FORMULA

1. Property Factor
 h(1). Colo. Average _____
 h(2). Total Average _____
 1. 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 _____

DATE _____