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2024 TAXABLE SALES IN COLORADO

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ABOUT THE AUTHOR



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Steven Byers is Common Sense Institute's Senior Economist and has been with CSI since 2022. Steven is responsible for conducting research on issues important to the Colorado economy.

Prior to joining CSI, Steven spent three years working for the Coalition for a Prosperous America, a nonprofit organization consisting of manufacturing, agricultural, labor, consumer, and citizen interest groups, where he conducted research on the U.S. economy, international trade, and tariffs. Highlights of this research include a paper titled, "Decoupling from China – An Economic Analysis of the Impact on the U.S. Economy of a Permanent Tariff on Chinese Imports" for which he and a co-author won the National Association for Business Economics Edmund A. Mennis Contributed Paper Award.

Steven's experience as an economist spans twenty-three years, including work at federal regulatory agencies (SEC, CFTC, PCAOB) and quantitative economic analysis supporting international trade litigation cases brought before the U.S. International Trade Commission. His Ph.D. dissertation topic was based on a computable general equilibrium model (CGE) he developed to evaluate the economic impact of regional tax incentives in a small city (Fort Collins, CO).

ABOUT COMMON SENSE INSTITUTE

Common Sense Institute is a non-partisan research organization dedicated to the protection and promotion of Colorado's economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Coloradans. CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the economy and individual opportunity.

TEAMS & FELLOWS STATEMENT

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

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INTRODUCTION

This report analyzes taxable sales data from the Colorado Department of Revenue to understand the dynamics of taxable sales at the state and county level, and where policymakers may soon need to fill gaps.

Colorado imposes a sales tax on retail sales of tangible personal property except when such sales qualify for an exemption specifically authorized by law. Taxable sales of tangible personal property include, but are not limited to, the amount charged for mainframe computer access, photocopying, and packing and crating. Sales of services are generally not subject to Colorado sales tax. However, sales of the following services are specifically taxable under Colorado law:

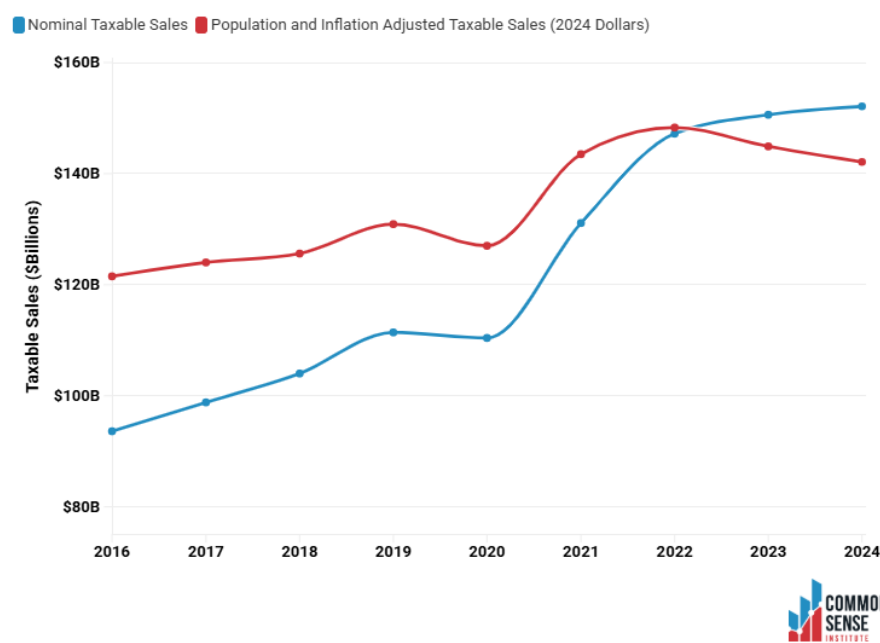
- gas and electric service for commercial use and,
- intrastate telephone and telegraph services.

Additionally, sales tax applies to prepared food and drink sold by restaurants, bars, and other similar establishments. Short-term rentals of rooms and accommodations are also subject to Colorado sales tax.ⁱ

As shown in **Figure 1**, nominal taxable sales in Colorado have increased 62.5% from 2016 to 2024. However, when adjusted for population growth and inflation, they have increased only 17%. They began to decline in 2022 and continued to decline through 2024. Adjusting for population alone showed a 0.2% increase in taxable sales from 2023 to 2024. Population and inflation adjusted taxable sales declined 1.9% from 2023 to 2024 indicating that the real taxable sales per person declined.

FIGURE 1 - TAXABLE SALES (NOMINAL AND ADJUSTED FOR POPULATION GROWTH AND INFLATION)

Taxable Sales in Colorado

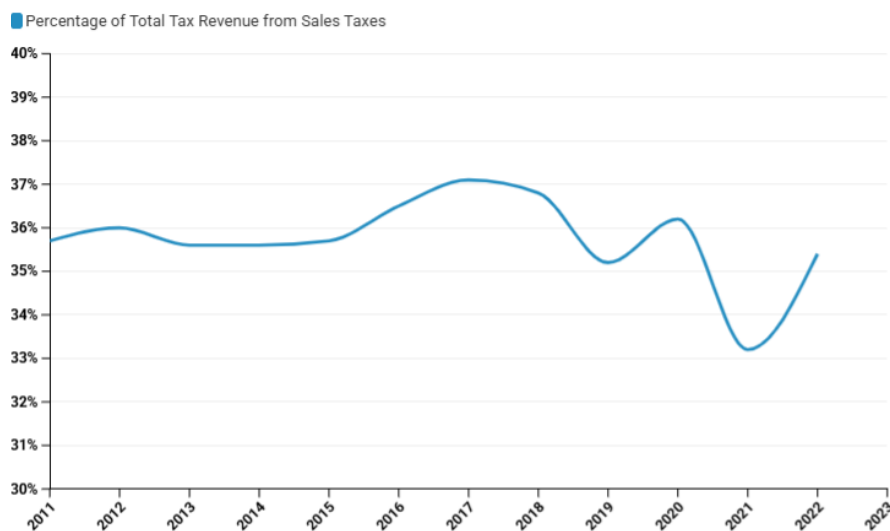


Over the period 2011 to 2021, revenue from sales taxes accounted for 35.8% of state & local government revenue on average in Colorado. Since 2017, revenue from sales taxes as a share of total state & local government revenue has been declining, though it rebounded in 2022 to 35.4% after falling to 33.2% in 2021 (see **Figure 2**). Data for 2023 will be available in October 2025.

The sharp decline in sales tax revenue as a share of total state & local government tax revenue in 2021 and 2022 is likely attributable to the large increases in price levels coming out of the Covid-19 pandemic. The decline may also be the result of changes in consumer spending patterns, both in terms of what goods and services they purchase and where they purchase them.

FIGURE 2 - SALES TAX REVENUE AS A PERCENTAGE OF TOTAL STATE & LOCAL TAX REVENUE

Share of Total Colorado State & Local Government Tax Revenue from Sales Taxes



Source: U.S. Census: State & Local Government Finance Tables

KEY FINDINGS

- **Statewide, taxable sales in 2024 dollars, adjusted for inflation and population, declined 1.9% from \$144.9 billion in 2023 to \$142.1 billion in 2024.** Nominal taxable sales increased 1.1% from \$150.6 billion in 2023 to \$152.2 billion in 2024.
- **Among Colorado's 64 counties, 38 (59.4%) experienced a decline in inflation and population-adjusted taxable sales from 2023 to 2024.**
 - **The largest decreases during this time were in Huerfano (-9.4%), Teller (-8.3%), and Broomfield Counties (-7.5%).**
- **Revenue from sales taxes as a share of total state and local government tax revenue has declined from 37.1% in 2017, to 35.4% in 2022.**
 - If sales tax revenue were to remain at its 2017 share of total Colorado revenue, the state would've needed to collect an additional \$720 million in 2024.
- **Taxable sales in 2024 dollars adjusted for inflation and population in Denver County fell 2.5% from \$21.8 billion in 2023 to \$21.3 billion in 2024.**

TAXABLE SALES BY COUNTY

From 2023 to 2024 taxable sales adjusted for population growth and inflation declined in 38 counties and rose in 26 counties (see **Figure 3**). Declines were as low as -9.4% in Huerfano County, and increases were as high as 171% in Baca County. The largest percentage changes occurred in counties with small populations where small changes in either direction can produce large percentage changes. Declining population and inflation adjusted taxable sales are problematic for county budgets as they are a major source of funding for local government.

FIGURE 3 - TAXABLE SALES BY COUNTY

Taxable Sales Adjusted for Population Growth and Inflation (2024 Dollars)					
	2016	2023	2024	Change 2023 to 2024	Change 2016 to 2024
Colorado	\$121.46B	\$144.92B	\$142.11B	-1.9%	17.0%
Adams	\$10.99B	\$13.77B	\$13.39B	-2.8%	21.8%
Alamosa	\$0.34B	\$0.38B	\$0.38B	1.8%	14.4%
Arapahoe	\$14.59B	\$16.35B	\$15.94B	-2.5%	9.3%
Archuleta	\$0.26B	\$0.33B	\$0.33B	1.1%	29.9%
Baca	\$0.03B	\$0.08B	\$0.09B	17.1%	175.5%
Bent	\$0.02B	\$0.04B	\$0.04B	2.2%	66.1%
Boulder	\$6.86B	\$8.27B	\$8.08B	-2.3%	17.7%
Broomfield	\$1.49B	\$1.87B	\$1.73B	-7.5%	15.9%
Chaffee	\$0.42B	\$0.59B	\$0.57B	-2.7%	35.5%
Cheyenne	\$0.04B	\$0.09B	\$0.08B	-6.3%	86.9%
Clear Creek	\$0.14B	\$0.23B	\$0.22B	-3.7%	58.1%
Conejos	\$0.05B	\$0.11B	\$0.11B	3.9%	129.4%
Costilla	\$0.02B	\$0.03B	\$0.03B	-3.1%	55.3%
Crowley	\$0.02B	\$0.03B	\$0.03B	-7.0%	60.2%
Custer	\$0.04B	\$0.07B	\$0.07B	-1.6%	79.3%
Delta	\$0.32B	\$0.42B	\$0.43B	2.0%	33.0%
Denver	\$20.74B	\$21.84B	\$21.29B	-2.5%	2.7%
Dolores	\$0.02B	\$0.03B	\$0.03B	-4.0%	89.8%
Douglas	\$7.23B	\$8.59B	\$8.38B	-2.4%	16.0%
Eagle	\$2.23B	\$3.06B	\$3.03B	-1.0%	36.3%
El Paso	\$12.47B	\$14.99B	\$14.86B	-0.9%	19.1%
Elbert	\$0.18B	\$0.37B	\$0.37B	0.7%	105.1%

Fremont	\$0.47B	\$0.66B	\$0.65B	-1.9%	38.4%
Garfield	\$1.55B	\$1.96B	\$1.87B	-4.8%	20.6%
Gilpin	\$0.10B	\$0.20B	\$0.19B	-0.7%	102.4%
Grand	\$0.45B	\$0.79B	\$0.76B	-3.2%	70.5%
Gunnison	\$0.39B	\$0.59B	\$0.59B	0.4%	52.3%
Hinsdale	\$0.02B	\$0.03B	\$0.03B	3.6%	87.9%
Huerfano	\$0.06B	\$0.10B	\$0.09B	-9.4%	49.8%
Jackson	\$0.03B	\$0.04B	\$0.05B	6.2%	80.3%
Jefferson	\$11.14B	\$13.07B	\$12.91B	-1.2%	15.9%
Kiowa	\$0.01B	\$0.03B	\$0.03B	1.5%	251.9%
Kit Carson	\$0.13B	\$0.25B	\$0.24B	-3.6%	90.8%
La Plata	\$1.27B	\$1.61B	\$1.58B	-1.8%	24.2%
Lake	\$0.08B	\$0.20B	\$0.21B	6.7%	160.9%
Larimer	\$7.23B	\$8.40B	\$8.34B	-0.8%	15.3%
Las Animas	\$0.24B	\$0.27B	\$0.27B	-1.3%	10.6%
Lincoln	\$0.09B	\$0.11B	\$0.11B	-5.5%	20.8%
Logan	\$0.34B	\$0.41B	\$0.40B	-0.7%	18.0%
Mesa	\$3.03B	\$3.60B	\$3.56B	-1.1%	17.7%
Mineral	\$0.03B	\$0.04B	\$0.04B	5.4%	30.7%
Moffat	\$0.25B	\$0.33B	\$0.31B	-6.2%	23.8%
Montezuma	\$0.41B	\$0.49B	\$0.50B	0.7%	22.2%
Montrose	\$0.73B	\$1.02B	\$1.03B	0.8%	41.4%
Morgan	\$0.46B	\$0.61B	\$0.69B	12.6%	48.2%
Otero	\$0.19B	\$0.26B	\$0.26B	-0.7%	35.8%
Ouray	\$0.08B	\$0.15B	\$0.16B	2.5%	87.8%
Park	\$0.11B	\$0.24B	\$0.25B	1.7%	123.7%
Phillips	\$0.04B	\$0.07B	\$0.07B	1.8%	64.2%
Pitkin	\$1.21B	\$2.11B	\$2.16B	2.2%	78.6%
Prowers	\$0.17B	\$0.22B	\$0.22B	-0.5%	29.6%
Pueblo	\$2.73B	\$3.12B	\$3.06B	-1.8%	11.9%
Rio Blanco	\$0.09B	\$0.16B	\$0.18B	12.4%	96.5%
Rio Grande	\$0.13B	\$0.24B	\$0.22B	-7.1%	70.4%
Routt	\$0.86B	\$1.25B	\$1.24B	-1.2%	44.9%
Saguache	\$0.04B	\$0.06B	\$0.06B	1.8%	79.7%
San Juan	\$0.03B	\$0.04B	\$0.04B	5.6%	37.0%
San Miguel	\$0.34B	\$0.59B	\$0.59B	-0.7%	75.0%
Sedgwick	\$0.02B	\$0.03B	\$0.03B	4.3%	29.9%
Summit	\$1.68B	\$2.36B	\$2.29B	-3.1%	36.0%
Teller	\$0.32B	\$0.54B	\$0.49B	-8.3%	53.5%
Washington	\$0.03B	\$0.05B	\$0.05B	0.6%	84.4%
Weld	\$6.02B	\$7.23B	\$6.98B	-3.4%	16.0%
Yuma	\$0.14B	\$0.20B	\$0.21B	6.4%	51.58%

TAXABLE SALES BY INDUSTRY

From 2023 to 2024 taxable sales decreased in 17 out of 29 industries as shown in **Figure 4**. The largest increases over this time occurred in:

- Educational services (+7.6%);
- Administrative and support and waste management and remediation services (+3.7%); and
- Information (+3.6%).

The largest declines occurred in:

- Mining, quarrying and oil and gas extraction (-16.7%);
- Sporting goods, hobby, musical instrument, book, and miscellaneous retailers (-6.7%); and
- Furniture, home furnishings, electronics, and appliance retailers (-6.4%).

Since 2016, several industries have experienced profound changes in taxable sales. Industries with the largest increases were:

- Transportation and warehousing (+192.1%);
- Administrative and support and waste management and remediation services (+155.1%); and
- General merchandise retailers (+115.9%).

The largest declines occurred in:

- Health and personal care retailers (-45.7%);
- Finance and insurance (-32.2%); and
- Healthcare and social assistance (-23.1%).

FIGURE 4 - TAXABLE SALES BY INDUSTRY

Industry Taxable Sales Adjusted for Inflation and Population (2024 Dollars)					
	2016	2023	2024	Change 2023 - 2024	Change 2016-2024
Agriculture, Forestry, Fishing and Hunting	\$ 114.5M	\$ 114.9M	\$ 111.6M	-2.9%	-2.5%
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,715.9M	\$ 1,758.1M	\$ 1,464.4M	-16.7%	-14.7%
Utilities	\$ 3,041.3M	\$ 3,285.3M	\$ 3,292.9M	0.2%	8.2%
Construction	\$ 2,074.8M	\$ 3,031.6M	\$ 2,977.3M	-1.8%	43.5%
Manufacturing	\$ 5,295.5M	\$ 6,789.5M	\$ 6,484.6M	-4.5%	22.5%
Wholesale Trade	\$ 6,844.5M	\$ 9,647.9M	\$ 9,394.8M	-2.6%	37.3%
Motor Vehicle and Parts Dealers	\$ 16,116.4M	\$ 17,005.1M	\$ 16,332.6M	-4.0%	1.3%
Building Material and Garden Equipment and Supplies Dealers	\$ 7,662.2M	\$ 8,725.0M	\$ 8,134.7M	-6.8%	6.2%
Food and Beverage Retailers	\$ 7,674.6M	\$ 7,500.9M	\$ 7,471.2M	-0.4%	-2.7%
Furniture, Home Furnishings, Electronics, and Appliance Retailers	\$ 5,671.9M	\$ 5,455.6M	\$ 5,104.5M	-6.4%	-10.0%
Health and Personal Care Retailers	\$ 3,193.9M	\$ 1,811.4M	\$ 1,735.2M	-4.2%	-45.7%
Gasoline Stations and Fuel Dealers	\$ 1,217.7M	\$ 1,279.6M	\$ 1,302.0M	1.8%	6.9%
Clothing, Clothing Accessories, Shoes, and Jewelry Retailers	\$ 4,593.3M	\$ 4,896.9M	\$ 4,967.6M	1.4%	8.1%
Sporting Goods, Hobby, Musical Instrument, Book, and Miscellaneous Retailers	\$ 7,288.9M	\$ 8,555.5M	\$ 7,980.8M	-6.7%	9.5%
General Merchandise Retailers	\$ 10,352.9M	\$ 22,058.7M	\$ 22,353.6M	1.3%	115.9%
Transportation and Warehousing	\$ 268.4M	\$ 799.5M	\$ 784.0M	-1.9%	192.1%
Information	\$ 4,970.9M	\$ 4,192.5M	\$ 4,342.1M	3.6%	-12.7%
Finance and Insurance	\$ 764.8M	\$ 527.6M	\$ 518.3M	-1.8%	-32.2%
Real Estate and Rental and Leasing	\$ 4,615.6M	\$ 5,391.7M	\$ 5,446.9M	1.0%	18.0%
Professional, Scientific, and Technical Services	\$ 1,637.4M	\$ 2,603.6M	\$ 2,663.8M	2.3%	62.7%

Administrative and Support and Waste Management and Remediation Services	\$ 635.8M	\$ 1,563.8M	\$ 1,621.8M	3.7%	155.1%
Educational Services	\$ 129.2M	\$ 120.6M	\$ 129.8M	7.6%	0.5%
Health Care and Social Assistance	\$ 235.4M	\$ 177.5M	\$ 181.1M	2.1%	-23.1%
Arts, Entertainment, and Recreation	\$ 696.3M	\$ 890.5M	\$ 878.6M	-1.3%	26.2%
Accommodation	\$ 5,024.4M	\$ 6,776.2M	\$ 6,718.9M	-0.8%	33.7%
Food Services and Drinking Places	\$ 15,123.7M	\$ 16,262.7M	\$ 16,122.3M	-0.9%	-6.6%
Management of Companies and Enterprises; Other Services (except Public Administration)	\$ 2,678.7M	\$ 3,558.5M	\$ 3,454.4M	-2.9%	29.0%
Public Administration	\$ 151.1M	\$ 134.8M	\$ 139.8M	3.7%	-7.5%
Total	\$ 121.46B	\$ 144.92B	\$ 142.11B	-1.9%	17.0%

INDUSTRY SHARE OF TAXABLE SALES

The industry share of taxable sales is shown in **Figure 5**. The largest decline in industry share from 2023 to 2024 was a 0.3-percentage point decline in building materials and garden equipment supplies and dealers. The largest increase was 0.51-percentage points in general merchandise retailers.

The largest changes in the share of taxable sales by industry since 2016 include a 7.21 percentage point increase in general merchandise retailers, and a 1.78-percentage point decrease in motor vehicle and parts dealers, a 1.41 percentage point decrease in health and personal care retailers, and a 1.11-percentage point decrease in food service & drinking places.

FIGURE 5 - INDUSTRY SHARE OF TAXABLE SALES

Industry Share of Taxable Sales					
	2016	2023	2024	Change 2023 -2024 (ppt)	Change 2016 -2024 (ppt)
Agriculture, Forestry, Fishing and Hunting	0.09%	0.08%	0.08%	0.00	-0.01
Mining, Quarrying, and Oil and Gas Extraction	1.41%	1.21%	1.03%	-0.18	-0.38
Utilities	2.50%	2.27%	2.32%	0.05	-0.18
Construction	1.71%	2.09%	2.10%	0.01	0.39
Manufacturing	4.36%	4.69%	4.56%	-0.13	0.20
Wholesale Trade	5.64%	6.66%	6.61%	-0.05	0.97
Motor Vehicle and Parts Dealers	13.27%	11.73%	11.49%	-0.24	-1.78
Building Material and Garden Equipment and Supplies Dealers	6.31%	6.02%	5.72%	-0.30	-0.59
Food and Beverage Retailers	6.32%	5.18%	5.26%	0.08	-1.06
Furniture, Home Furnishings, Electronics, and Appliance Retailers	4.67%	3.76%	3.59%	-0.17	-1.08
Health and Personal Care Retailers	2.63%	1.25%	1.22%	-0.03	-1.41

Gasoline Stations and Fuel Dealers	1.00%	0.88%	0.92%	0.04	-0.08
Clothing, Clothing Accessories, Shoe, and Jewelry Retailers	3.78%	3.38%	3.50%	0.12	-0.28
Sporting Goods, Hobby, Musical Instrument, Book, and Miscellaneous Retailers	6.00%	5.90%	5.62%	-0.28	-0.38
General Merchandise Retailers	8.52%	15.22%	15.73%	0.51	7.21
Transportation and Warehousing	0.22%	0.55%	0.55%	0.00	0.33
Information	4.09%	2.89%	3.06%	0.17	-1.03
Finance and Insurance	0.63%	0.36%	0.36%	0.00	-0.27
Real Estate and Rental and Leasing	3.80%	3.72%	3.83%	0.11	0.03
Professional, Scientific, and Technical Services	1.35%	1.80%	1.87%	0.07	0.52
Administrative and Support and Waste Management and Remediation Services	0.52%	1.08%	1.14%	0.06	0.62
Educational Services	0.11%	0.08%	0.09%	0.01	-0.02
Health Care and Social Assistance	0.19%	0.12%	0.13%	0.01	-0.06
Arts, Entertainment, and Recreation	0.57%	0.61%	0.62%	0.01	0.05
Accommodation	4.14%	4.68%	4.73%	0.05	0.59
Food Services and Drinking Places	12.45%	11.22%	11.34%	0.12	-1.11
Management of Companies and Enterprises; Other Services (except Public Administration)	2.21%	2.46%	2.43%	-0.03	0.22
Public Administration	0.12%	0.09%	0.01%	0.01	-0.02
Total	100%	100%	100%		

BOTTOM LINE

The share of statewide total tax revenue from taxable sales has declined from 37.5% in 2017 to 35.4% in 2022. Additionally, in 2024 38 out of 64 counties saw declines in population and inflation adjusted taxable sales.

If these trends persist, state and local governments may be forced to identify alternative revenue sources. However, efforts to increase existing sales taxes or introduce new ones must account for potential changes in consumer behavior, as individuals are likely to shift purchases to jurisdictions with lower tax rates.

SOURCES

- i. https://tax.colorado.gov/sites/tax/files/documents/Sales_Tax_Guide_Feb_2024.pdf