

## News Release

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### DU research center examines Amendments 52 and 58: State Severance Taxes

DENVER—Two ballot proposals placed before voters this November deal with the difficult topic of state severance taxes. In the third of three reports, the University of Denver Center for Colorado's Economic Future (CCEF) analyzes the potential impacts of Amendments 52 and 58. Amendment 52 would change the way in which a portion of the current severance tax proceeds is used, while Amendment 58 would change the structure of the severance tax on oil and gas production, resulting in increased revenue to the state, and earmarking the new revenue for specific purposes.

The CCEF report, available for download at [www.du.edu/economicfuture](http://www.du.edu/economicfuture), examines how Amendments 52 and 58 would work and how they would affect current statutes and provisions of the Colorado Constitution.

“These two amendments are difficult for voters in three ways” says Charles Brown, director of CCEF. “First, they deal with an extremely complex area of Colorado's tax law, the severance tax; second, the presence of two measures affecting this complicated area in different ways is sure to add confusion; and third, the two amendments apparently conflict with one another in the way they require severance tax revenue to be used. Our goal is to explain the current law, how the two amendments would change it, and provide some additional perspectives for voters.”

Colorado's current severance tax imposes a different tax rate for each mineral and mineral fuel, contains exemptions, a tax credit, and a progressive tax rate for oil and gas, and distributes money raised by the tax by a statutory formula that has been frequently changed over the years.

The center was created in 2007 after DU's Colorado Economic Futures Panel (CEFP) completed its work in January 2006. The panel spent more than a year examining the fiscal health of Colorado's state and local governments and their ability to sustain fundamental public investments appropriate to the state's long-term economic vitality. Establishing a permanent center to study the state's economic future was a recommendation from the CEFP.

-30-

*The University of Denver Center for Colorado's Economic Future is an independent, nonpartisan organization that conducts research on matters related to Colorado's fiscal health, trends affecting the state's economy and proposed legislation relating to taxation and public spending.*