

# COMMON SENSE

*Policy Roundtable*

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## TRUST TAXES IN COLORADO

*Did you know?*

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- ◆ Colorado currently places an income tax on both distributed and undistributed income from trusts that are administered in our state – most states only apply a single tax to distributed income.
- ◆ The double taxation on irrevocable trusts administered in Colorado has put the Centennial State at a competitive disadvantage. Neighboring states with friendly trust laws have captured thousands of good paying jobs in the financial sector.
- ◆ An economic study of the trust tax in Colorado suggested that by eliminating the double tax the state would offset any loss in tax revenue in a short period of time.

*Common Sense Policy Roundtable is a non-profit free-enterprise think tank dedicated to the protection and promotion of Colorado's economy. CSPR actively follows tax and budget related legislation and initiatives.*

## COMMON SENSE

### Solutions for Colorado: Trust Taxes

- ◆ **Revise Colorado's income tax form to ensure relevant data from the federal form is captured to accurately assess the state's income from irrevocable trusts.**
- ◆ **Eliminate the double taxation on irrevocable trusts – studies suggest Colorado would gain up to \$3.87 billion in additional economic activity.**
- ◆ **Commission a thorough evaluation of Colorado's tax structure and complete a study asking the "what if" questions about alternative methods of collecting taxes.**

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