

Congress of the United States
Washington, DC 20515

August 14, 2024

The Honorable Danny Werfel
Commissioner, Internal Revenue Service
1111 Constitution Ave NW
Washington, DC 20224

Dear Commissioner Werfel:

We write to once again urge the Internal Revenue Service (“IRS”) not to treat the State of Colorado’s Taxpayer’s Bill of Rights (“TABOR”) refunds as taxable income. While we appreciate you and your agency’s continued communication with our offices, we request that this be resolved in a timely manner to avoid further confusion for taxpayers in our state.


We understand that the IRS is considering treating the flat \$800 and \$1,600 TABOR payments issued by the state for fiscal year 2022-2023 as federal taxable income. As you know, our offices strongly disagree with such an interpretation. Moreover, we are particularly concerned that if such guidance were to apply to the tax year in question, Colorado Department of Revenue officials may be unable to successfully and appropriately prepare for this change, and that taxpayers would thereby be left scrambling to determine whether they had unanticipated tax liabilities.

As you are well aware, the IRS has never considered TABOR refund payments as taxable income since the state constitutional amendment was ratified by Colorado voters in 1992—over thirty years ago. A change this significant would take considerable time and resources from the state to ensure regulatory stability and to appropriately inform the public of how these changes may affect them. It would also have a significant impact on taxpayers – especially low-income taxpayers – who may have new unanticipated tax obligations as a result of this policy interpretation. Moreover, the Colorado General Assembly has adjusted the refund mechanisms to comport with IRS guidance on taxability so that this question is fully resolved going forward.

With that in mind, we ask that the IRS treat the current flat TABOR refund payments for tax year 2024 as not taxable. We appreciate your prompt attention to this matter.

Sincerely,

Congress of the United States
Washington, DC 20515



Joe Neguse
Member of Congress



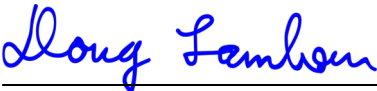
Michael F. Bennet
United States Senator



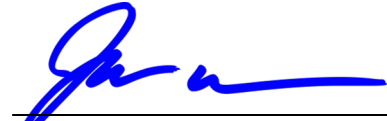
John Hickenlooper
United States Senator



Diana DeGette
Member of Congress



Doug Lamborn
Member of Congress



Jason Crow
Member of Congress



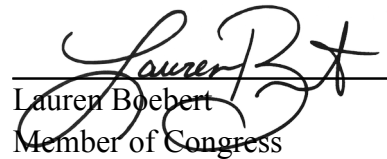
Greg Lopez
Member of Congress



Yadira Caraveo, M.D.
Member of Congress



Brittany Pettersen
Member of Congress



Lauren Boebert
Member of Congress