

Jeffco Commissioners Quietly Eliminate the County's Portion of a Business Tax

If you haven't already mailed in your ballot, consider this tax giveaway to Jefferson County's biggest businesses by our current Board of County Commissioners (BCC). By a vote of 2-to-1, with the lone Democratic commissioner opposing it, the BCC voted to eliminate the county portion of the Business Personal Property Tax (or BPPT). Depending on where

REAL ESTATE TODAY



By **JIM SMITH**, Realtor®

in the county a business is located, this represents a 10 to 20 percent reduction in the total mill levy that is applied to business personal property.

What is "business personal property"? It's the equipment and other non-real estate owned by businesses. Utilities like Xcel Energy pay the bulk of this tax on such items as generating equipment and high-tension power lines. In our case, the tax applies to the current (depreciated) value of the copy machines, solar panels, and office furniture owned by our business. If you have a home business, the tax applies to your **business** equipment and furniture, although the first \$7,700 of such value is exempt. This means that small businesses pay little or no tax – although it is a headache to fill out the declaration.

I do agree that this tax is an annoyance and could discourage businesses from relocating to Colorado – if they are aware of it ahead of time, which I wasn't when I moved a company from New York to Denver in 1991. We were shocked to receive a property tax bill for the equipment and furniture we brought with us. I have learned that the BPPT is

a big contributor to the revenue of **local** tax districts, big and small, around the state. These include fire districts, school districts, parks and recreation districts, counties and municipalities — the exact same tax jurisdictions that benefit from real estate taxes, because it's from the same set of mill levies. Now that Jefferson County has eliminated that source of revenue, one might reasonably ask how the county will make up that lost revenue.

Although this tax is not part of the **State's** revenue stream, only the State can amend or abolish it. Thus far, because the BPPT is a major component of local jurisdictions' income, the General Assembly has only been willing to increase the exemption noted above, which benefits smaller businesses but maintains the tax as a source of revenue from big businesses.

Just as with Trump's **federal income tax** cut, the BPPT cut was presented as primarily benefiting smaller taxpayers, which is simply not true. What prompted me to devote this week's column to this subject, however, was that the document used by the County Commissioners to claim the cut primarily benefits small businesses includes a chart showing exactly the opposite! Above is the top half of that one-page document.

Only Commissioner Casey Tighe seemed to recognize that the document disproves its own headline and that the tax cut would primarily benefit larger taxpayers, so he voted against it.

The first line under the headline **is** accurate. The information in the next one is not, as the chart that makes up

Jeffco BPPT

Smaller businesses account for a majority of the BPPT revenue

- 90% of tax schedules issued are for less than \$1,000
- 68% of the BPPT revenue are from schedules under \$100,000
- 47% of the BPPT revenue are from schedules under \$10,000

This is a lie!

The first two lines in the chart below show that 53% of BPPT revenue comes from the biggest 0.8% of Jeffco businesses.

General Fund Tax Due <small>(14.165 mills)</small>	# of Schedules	% of Total Schedules	Total General Fund Tax Rev. <small>(14.165 mills)</small>	% of Total General Fund Tax Rev.
\$100,000 +	8	0.1%	\$2,266,943	32%
\$99,999 - \$10,000	57	0.7%	\$1,443,189	21%

the rest of the one-page document clearly shows. Instead of stating that "68% of the BPPT revenue[s] are from schedules under \$100,000," it should have read, "53% of BPPT revenue is from tax schedules **over** \$10,000."

If **Leslie Dahlkemper**, a Democrat well-known from her tenure on the Jeffco School Board, defeats the Republican commissioner who is up for election this year, the BCC will be controlled by Democrats. Then perhaps the Board will reverse this tax giveaway **and** do something else that the Republican-controlled Board wouldn't do, which is to put on next year's ballot a referendum to change the Board of County Commissioners from a 3-member board to a 5-member board. A 5-member board, with

commissioners elected **by district**, would be a great improvement over the current 3-member board, all of whom are elected at large. And if more locally-focused representation isn't reason enough for the change, consider that the state's Open Meetings Law makes it illegal for any two commissioners (because they would constitute a quorum) to meet privately without that meeting being announced in advance and opened to the public.

A Further Price Reduction

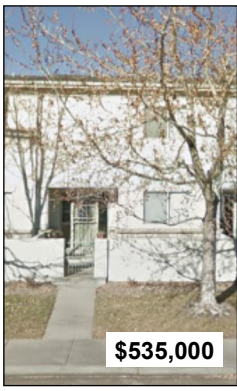
Andrew Lesko's listing at **2000 Lewis Street** is now reduced to \$420,000. See www.LakewoodHome.info for a video tour. **Open this Saturday 11 to 3.**

Wheat Ridge Ranch Is Close to Crown Hill Park

This is a great ranch home all on one level, no steps, with newer air conditioning and heating units, large bright family room, kitchen island, covered deck, wood-burning fireplace, and a large master bathroom with dual sinks and a second full bathroom. Hardwood flooring is throughout the house, including under the carpeting in the three bedrooms and living room. The yard is fenced, with a new storage shed (10'x10') and a larger metal storage shed (24'x13') that is large enough to store an automobile. Visit www.WheatRidgeHome.info to view a narrated video tour, then call listing agent **David Dlugasch** at 303-908-4835 for a private showing. David will be holding it open this **Saturday, Nov. 3rd, from 11 to 2.**



Just Listed: Downtown Golden Townhome



Briarwood Commons is a late-1990s townhome community built across 8th Street from the Golden Community Center's upper parking lot. All units have 2-car attached garages accessed from an alley. This one at **1216 8th Street** has the kitchen and living/dining rooms plus the master suite on the upper floor, and a guest bedroom with en-suite bathroom on the main floor, plus an unfinished basement with 9-foot ceiling that could accommodate a 3rd bedroom and full bath. There's a walled patio in front and a full-width balcony accessed from the upstairs living room, both with mountain views. **Open Sunday 11 to 2.** Video tour at www.GoldenTownhome.com.

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