

Tax Work-Off Programs in Colorado

In Colorado, a county may establish a property tax work-off program that allows any taxpayer who is sixty years of age or older or who is a person with a disability to perform work for the county in lieu of the payment of any real property taxes. See C.R.S. 39-3.7-102. Several counties, including members of the County Workers' Compensation Pool (CWCP), have implemented such tax work-off programs.

Workers' Compensation Coverage and Program Participants

By statute, a county which establishes a tax work-off program must "issue a check or checks to such taxpayer which shall be made payable only to the appropriate county treasurer." Because participants in a tax work-off program are required by law to receive payment for their work, they cannot accurately be defined as volunteers in an effort to avoid workers' compensation coverage. In some counties, participants are accurately referred to as temporary employees.

Other states, such as Oregon and Massachusetts, have statutorily addressed the issue by expressly exempting tax work-off participants from workers' compensation coverage.

However, Colorado's statutory tax work-off program does not exempt participants from workers' compensation coverage. Interestingly, an article published in the July 1, 2009 Loveland Reporter

addresses this very issue. See http://www.reporterherald.com/news_story.asp?ID=23789. It notes that "[t]he Larimer County Board of County Commissioners directed staff Tuesday to explore asking the Colorado General Assembly to exempt participants in the Larimer County Senior Citizen Property Tax Work-Off Program from workers' compensation coverage." Id.

What This Means For Counties

Colorado law requires that tax work-off participants receive payment for their work and therefore; participants are legally considered employees. As a result, participants in a county tax work-off program are entitled to workers' compensation benefits. CWCP member counties need to instruct the participants on reporting claims as well as including the participant's payment by classification in the annual payroll audit for contribution purposes.

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