FREE GUIDE FROM THE NEW HORIZONS TEAM

Retiring in Colorado

The home and money guide for retirees in Northern Colorado and the Denver area

Colorado offers abundant sunshine, world-class trails and some of the friendliest tax treatment of retirement income in the West. This guide covers how Colorado taxes retirees, the property tax breaks for seniors, where to live, and how to choose a home that fits the next chapter.

How Colorado Taxes Retirement Income

Colorado has a flat state income tax, and it lets retirees subtract a large share of retirement income before that tax applies. For tax years 2025 and later:

Your age	Social Security	Pensions, annuities and IRA distributions
65 and older	All taxable Social Security can be subtracted	Up to $24,000 per person, reduced by any Social Security subtracted
55 to 64	All taxable Social Security can be subtracted if AGI is $75,000 or less (single) or $95,000 or less (joint)	Up to $20,000 per person, including Social Security above those AGI limits

Each spouse's subtraction is figured separately on a joint return. Source: Colorado Department of Revenue, January 2025.

Property Tax Breaks for Seniors

Senior Homestead Exemption

- Exempts 50% of the first $200,000 of your home's actual value from property tax; the state pays that share.
- You must be 65 or older and have owned and lived in the home as your primary residence for at least 10 consecutive years.
- Apply with your county assessor between January 1 and July 15. A surviving spouse can often keep the exemption.
- It does not transfer to a new home for the 2027 tax year and later, so a move generally restarts the 10-year clock.

Property Tax Deferral Program

- Homeowners 65 and older can defer property taxes on their primary residence; the state pays the taxes as a loan.
- Apply with your county treasurer between January 1 and April 1. Total liens must be no more than 75% of the home's value.
- The loan carries interest (4.238% for May 2026 through April 2027) and is repaid when the home is sold or no longer qualifies.

Planning a move? If you already have the senior exemption, compare your current tax bill with the full tax on your next home before you decide. We can pull the actual tax history for any home you consider.

Where Retirees Love to Live

Town	Why retirees choose it	Hospital close by
Longmont	Walkable Main Street, city-run utilities, greenways and three city golf courses	UCHealth Longs Peak; CommonSpirit Longmont United
Loveland	Lakes, a large public art collection and easy mountain access	UCHealth Medical Center of the Rockies; McKee Medical Center
Fort Collins	Old Town, CSU arts and lectures, and the Poudre River Trail	UCHealth Poudre Valley Hospital
Berthoud	Small-town feel between Longmont and Loveland	Hospitals in Longmont and Loveland
Broomfield	Anthem Ranch, a 55+ community, plus shopping and US 36 access	UCHealth Broomfield Hospital
Louisville and Lafayette	Historic downtowns and trails close to Boulder	Avista Adventist; Good Samaritan Medical Center
Estes Park	Mountain living next to Rocky Mountain National Park	Estes Park Health

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Choosing Your Retirement Housing

Option	Good fit if you...	Watch out for
Stay and update	Love your neighborhood and your home is mostly one level	Cost of grab bars, a walk-in shower, ramps or a main-floor bedroom
Downsize to a ranch or patio home	Want less upkeep but still want a yard and garage	HOA rules and dues; metro district taxes
Condo or townhome	Want to lock and leave for travel	Stairs in many townhomes; HOA reserves and special assessments
55+ community	Want built-in social life and amenities	Age and resale rules; dues
Independent or assisted living	Want services, meals or care included	Monthly fees, entrance fees and what care levels are offered

Paying for Your Retirement Home

- **Cash from your current home:** many retirees buy the next home outright and keep the remaining equity in reserve.
- **A regular mortgage:** lenders can qualify you on Social Security, pension and retirement account income.
- **Reverse mortgage for purchase (HECM for Purchase):** homeowners 62 and older can buy a home with a large down payment and no monthly mortgage payment, while still paying taxes, insurance and upkeep. Fees are

higher, so compare carefully with an independent counselor.

- **Keep a cushion:** plan for property tax, insurance (hail is a big factor in Colorado), HOA dues and healthcare costs.

Colorado Living Tips for Retirees

- Altitude and sun are real: drink more water, wear sunscreen year-round and ask your doctor about the elevation if you have heart or lung conditions.
- Winters on the Front Range are milder than many expect, with sunny days between storms, but a home with a garage and a manageable driveway helps.
- New residents have 30 days to get a Colorado driver license and 90 days to register vehicles.
- Test any home for radon; nearly half of Colorado homes test above the EPA action level.

Your Retirement Move Checklist

[ ]	Talk with a CPA or financial planner about Colorado's retirement income subtraction
[ ]	Check whether you qualify for the Senior Homestead Exemption now, and what a move would mean
[ ]	List must-haves: one level, garage, distance to doctors, family and activities
[ ]	Tour two or three towns and at least one 55+ community
[ ]	Get a home value estimate on your current home
[ ]	Get pre-approved or confirm proof of funds
[ ]	Plan the sale and purchase so you move once

Planning your retirement move? The New Horizons Team helps retirees across Northern Colorado and the Denver area compare towns, find one-level and low-maintenance homes, and sell the family home for top value.

Call or text Matthew Starr: 720-432-8695 | matt@newhorizonsre.com

Updated October 2026. General information only, not legal, tax or financial advice. Rules and programs change; talk with a CPA, an elder law or estate attorney, or a lender about your situation. New Horizons Team is part of LoKation Real Estate. Sources: Colorado Department of Revenue; Colorado Division of Property Taxation; Colorado State Treasurer (Property Tax Deferral Program); U.S. Department of Housing and Urban Development.