

Initiative 2023-2024 #177: State Income Tax Reduction FINAL TEXT

PROPOSED INITIATIVE 2023-2024 #177 STATE INCOME TAX RATE REDUCTION

Be it enacted by the People of the State of Colorado:

SECTION 1. Legislative Declaration. (1) The people find and declare that:

(a) Because state law requires that excess revenues be refunded, both the state of Colorado and the taxpayers incur costs of compliance;

(b) That to avoid these costs and to save Colorado taxpayers from the costs of preparing and filing unnecessary tax returns the people intend to lower the income tax rates for all taxpayers; and

(c) It is in the best interest of the people of the state of Colorado to lower the income tax rates for all taxpayers.

SECTION 2. In Colorado Revised Statutes, 39-22-104, **add** (1.7)(d) as follows:

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate – report - legislative declaration - definitions - repeal.

(1.7)(d) SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2025, A TAX OF FOUR AND THIRTY-FIVE ONE-HUNDREDTHS PERCENT IS IMPOSED ON THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST.

SECTION 3. In Colorado Revised Statutes, 39-22-301, **add** (1)(d)(I)(L) as follows:

39-22-301. Corporate tax imposed - repeal. (1)(d)(I) A tax is imposed upon each domestic C corporation and foreign C corporation doing business in Colorado annually in an amount of the net income of such C corporation during the year derived from sources within Colorado as set forth in the following schedule of rates:

(L) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2025, FOUR AND THIRTY-FIVE ONE-HUNDREDTHS PERCENT OF THE COLORADO NET INCOME.

SECTION 4. Effective date. This act shall take effect upon proclamation by the governor pursuant to Sec. 1(4) of Article V of the Colorado Constitution.