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Colorado Secretary of State

A FAIR INCOME TAX SYSTEM

Article X of the Constitution of the State of Colorado is hereby amended BY THE ADDITION OF THE FOLLOWING NEW SECTION 22, to read:

SECTION 22. A FAIR INCOME TAX SYSTEM.

(1) THE PEOPLE OF COLORADO FIND THAT IN ORDER TO MAKE COLORADO TAXES FAIRER, ALL TAXPAYERS SHOULD PAY SIMILAR PERCENTAGES OF THEIR INCOME IN TAXES. THE PEOPLE FURTHER FIND THAT BECAUSE SOME TAXES, LIKE SALES TAXES AND PROPERTY TAXES, HAVE A DISPROPORTIONAL IMPACT ON LOWER INCOME COLORADANS, A GRADUATED INDIVIDUAL INCOME TAX SYSTEM WHICH TAXES THOSE WHO EARN HIGHER INCOMES AT HIGHER RATES IS NEEDED TO MAKE THE TAX SYSTEM FAIRER. THE PEOPLE ALSO FIND THAT CORPORATIONS SHOULD ALSO BEAR A FAIR SHARE OF THE TAX BURDEN TO PAY THE COSTS OF EDUCATION, HIGHER EDUCATION, HEALTH CARE AND PUBLIC SAFETY.

(2) THE REVENUES RAISED BY THE TAXES IMPOSED PURSUANT THIS SECTION SHALL CONSTITUTE A VOTER APPROVED REVENUE CHANGE AND MAY BE COLLECTED, KEPT AND SPENT NOTWITHSTANDING ANY OTHER LIMITS IN THE CONSTITUTION OR OTHER LAW. ALL REVENUES RAISED BY THE TAXES IMPOSED PURSUANT TO THIS SECTION SHALL BE SPENT ONLY FOR PAYING THE COSTS OF EDUCATION, HIGHER EDUCATION, HEALTH CARE AND PUBLIC SAFETY. AT LEAST 90% OF THE REVENUES RAISED BY THE TAXES IMPOSED PURSUANT THIS SECTION SHALL BE SPENT ON SERVICES FOR COLORADO RESIDENTS AND NOT ADMINISTRATIVE COSTS. THE GENERAL ASSEMBLY SHALL ESTABLISH A CITIZEN'S OVERSIGHT COMMITTEE TO ASSURE THAT SUCH REVENUES ARE SPENT IN ACCORDANCE WITH THIS SECTION. FOR EACH FISCAL YEAR THAT THE STATE RECEIVES REVENUES PURSUANT TO THIS SECTION, THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL SHALL PREPARE A LEGISLATIVE REPORT THAT INCLUDES THE FOLLOWING INFORMATION:

(I) THE AMOUNT OF STATE REVENUES THAT THE STATE RECEIVED; AND

(II) A DESCRIPTION OF HOW THE STATE REVENUES WERE EXPENDED.

THE REPORT REQUIRED BY THIS SECTION SHALL BE COMPLETED BY OCTOBER 15 FOLLOWING A FISCAL YEAR IN WHICH THE STATE RECEIVES REVENUES PURSUANT TO THIS SECTION AND MAY BE AMENDED THEREAFTER AS NECESSARY. THE DIRECTOR OF RESEARCH SHALL PUBLISH AND LINK TO THE OFFICIAL WEB SITE OF THE GENERAL ASSEMBLY A COPY OF THE REPORT.

(3) WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2012, A GRADUATED TAX IS IMPOSED ON THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST AS SET FORTH IN THE FOLLOWING SCHEDULE OF RATES:

FOR INDIVIDUALS WHOSE FEDERAL TAXABLE INCOME IS DETERMINED ON A JOINT FEDERAL RETURN, IF THE FEDERAL TAXABLE INCOME AS MODIFIED AS PROVIDED IN SUBSECTIONS (3) AND (4) OF THIS SECTION IS:	FOR INDIVIDUALS WHO FILE AS A HEAD OF HOUSEHOLD, IF THE FEDERAL TAXABLE INCOME AS MODIFIED AS PROVIDED IN SUBSECTIONS (3) AND (4) OF THIS SECTION IS:	FOR ALL OTHER INDIVIDUALS, ESTATES AND TRUSTS, IF THE FEDERAL TAXABLE INCOME AS MODIFIED AS PROVIDED IN SUBSECTIONS (3) AND (4) OF THIS SECTION IS:
NOT OVER \$50,000 THE TAX IS 4.2%	NOT OVER \$37,500 THE TAX IS 4.2%	NOT OVER \$25,000 TAX IS 4.2%
OVER \$50,000 BUT NOT OVER \$100,000 THE TAX IS \$2,100, PLUS 6.5% OVER THE EXCESS OF \$50,000	OVER \$37,500 BUT NOT OVER \$75,000 THE TAX IS \$1,575, PLUS 6.5% OVER THE EXCESS OF \$37,500	OVER \$25,000 BUT NOT OVER \$50,000 THE TAX IS \$1,050.00, PLUS 6.5% OVER THE EXCESS OF \$25,000
OVER \$100,000 BUT NOT OVER \$200,000 THE TAX IS \$5,350, PLUS 7.0% OVER THE EXCESS OF \$100,000	OVER \$75,000 BUT NOT OVER \$150,000 THE TAX IS \$4,012, PLUS 7.0% OVER THE EXCESS OF \$75,000	OVER \$50,000 BUT NOT OVER \$100,000 THE TAX IS \$2,675.00, PLUS 7.0% OVER THE EXCESS OF 50,000
\$200,000 TO \$500,000 THE TAX IS \$12,350, PLUS 8.0% OVER THE EXCESS OF \$200,000	OVER \$150,000 BUT NOT OVER \$375,000 THE TAX IS \$9,262.50, PLUS 8.0% OVER THE EXCESS OF \$150,000	OVER \$100,000 BUT NOT OVER \$250,000 THE TAX IS \$6,175.00, PLUS 8.0% OVER THE EXCESS OF \$100,00
OVER \$500,000 BUT NOT OVER \$1,000,000 THE TAX IS \$36,350, PLUS 9.0% OVER THE EXCESS OF \$500,000	OVER \$375,000 BUT NOT OVER \$750,000 THE TAX IS \$27,262, PLUS 9.0% OVER THE EXCESS OF \$375,000	OVER \$250,000 BUT NOT OVER \$500,000 THE TAX IS \$18,175.00, PLUS 9.0% OVER THE EXCESS OF 250,0000
OVER \$1,000,000 THE TAX IS \$81,350, PLUS 9.5% OVER THE EXCESS OF \$1,000,000	OVER \$750,000 THE TAX IS \$61,012, PLUS 9.5% OVER THE EXCESS OF \$750,000	OVER \$500,000 THE TAX IS \$40,675, PLUS 9.5% OVER THE EXCESS OF \$500,000

THE INCOME BRACKETS SET FORTH IN THE ABOVE SCHEDULE SHALL BE ADJUSTED EACH INCOME TAX YEAR BY THE PERCENTAGE CHANGE IN COLORADO PERSONAL INCOME. COLORADO PERSONAL INCOME MEANS THE TOTAL PERSONAL INCOME FOR COLORADO, AS DEFINED AND OFFICIALLY REPORTED BY THE BUREAU OF ECONOMIC ANALYSIS IN THE UNITED STATES DEPARTMENT OF COMMERCE, OR ANY SUCCESSOR INDEX.

(4) FOR INCOME TAX YEARS COMMENCING ON AND AFTER JANUARY 1, 2012, 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 OF SEVEN PERCENT OF COLORADO NET INCOME.

(5) ALL PROVISIONS OF THIS SECTION 22 SUPERSEDE CONFLICTING PROVISIONS OF THIS CONSTITUTION.

(6) THE GENERAL ASSEMBLY SHALL ADOPT LEGISLATION TO IMPLEMENT THIS SECTION 22 AS NEEDED.

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