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FEB 18 2011

Final 17

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

Colorado Secretary of State

**SECTION 1.** Section 20(8)(a) of Article X of the Constitution of the State of Colorado is amended to read:

**(8) Revenue limits.** (a) New or increased transfer tax rates on real property are prohibited. No new state real property tax or local district income tax shall be imposed. Neither an income tax rate increase nor a new state definition of taxable income shall apply before the next tax year. ~~Any income tax law change after July 1, 1992 shall also require all taxable net income to be taxed at one rate, excluding refund tax credits or voter approved tax credits, with no added tax or surcharge.~~

**SECTION 2.** Part 1 of article 77 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**24-77-103.3. LEGISLATIVE DECLARATION - VOTER APPROVED REVENUE CHANGE-USE OF REVENUES-ACCOUNTABILITY.** 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 AS IS AN INCREASE AND EXTENSION IN THE EARNED INCOME TAX CREDIT IN ORDER TO MAKE THE TAX SYSTEM FAIRER. THE REVENUES RAISED BY THE TAXES IMPOSED PURSUANT TO SECTIONS 39-22-104, 39-22-301 AND 39-22-301.1 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 SECTIONS 39-22-104, 39-22-301 AND 39-22-301.1 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 TO SECTIONS 39-22-104, 39-22-301 AND 39-22-301.1 SHALL BE SPENT ON SERVICES FOR COLORADO RESIDENTS AND NOT ADMINISTRATIVE COSTS. THE GENERAL ASSEMBLY SHALL ESTABLISH A CITIZEN'S OVERSIGHT COMMITTEE TO REVIEW AND REPORT ON THE EXPENDITURE OF SUCH REVENUES. FOR EACH FISCAL YEAR THAT THE STATE RECEIVES REVENUES PURSUANT TO SECTIONS 39-22-104, 39-22-301 AND 39-22-301.1 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 SECTIONS 39-22-104, 39-22-301 AND 39-22-301.1 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.

**SECTION 3.** Section 39-22-104, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION (1.9) and 39-22-104(2), Colorado Revised Statutes is amended, to read:

**39-22-104. Income tax imposed on individuals, estates, and trusts definitions – repeal.** (1.9) SUBJECT TO SUBSECTION (2) OF THIS SECTION, 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 IS MODIFIED AS PROVIDED IN SUBSECTIONS (3) AND (4) OF THIS SECTION:	FOR INDIVIDUALS WHO FILE AS A HEAD OF HOUSEHOLD, IF THE FEDERAL TAXABLE INCOME IS MODIFIED AS PROVIDED IN SUBSECTIONS (3) AND (4) OF THIS SECTION:	FOR ALL OTHER INDIVIDUALS, ESTATES AND TRUSTS, IF THE FEDERAL TAXABLE INCOME IS MODIFIED AS PROVIDED IN SUBSECTIONS (3) AND (4) OF THIS SECTION:
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	OVER \$100,000 BUT NOT OVER \$250,000 THE TAX IS \$6,175.00, PLUS 8.0% OVER THE EXCESS OF

	\$150,000	\$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.

(2) Prior to the application of the rate of tax prescribed in subsection (1), (1.5), ~~or~~ (1.7) OR (1.9) of this section, the federal taxable income shall be modified as provided in subsections (3) and (4) of this section.

**SECTION 4.** Section 39-22-301(1)(d)(I), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH (J) and 39-22-301(1)(d)(I)(I) is amended, to read:

**39-22-301 Corporate Tax Imposed.** (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:

(I) Except as otherwise provided in section 39-22-627, for income tax years commencing on or after January 1, 2000 BUT PRIOR TO JANUARY 1, 2012, four and sixty-three one hundredths percent of the Colorado net income;

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

**SECTION 5.** Part 3 of Article 22 of Title 39, Colorado Revised Statutes is amended BY THE ADDITION OF NEW SECTION to read:

**39-22-301.1. CORPORATE ALTERNATIVE MINIMUM TAX.**

(1) WITH RESPECT TO EACH TAXABLE YEAR COMMENCING ON OR AFTER JANUARY 1, 2012, FOR EVERY DOMESTIC C CORPORATION AND FOREIGN C CORPORATION DOING BUSINESS IN COLORADO, IN ADDITION TO THE TAX IMPOSED IN SECTION 39-22-301, A TAX IS IMPOSED IN AN AMOUNT EQUAL TO THE EXCESS OF \$1,000 OVER THE TAX IMPOSED IN SECTION 39-22-301.

(2) THE COLORADO ALTERNATIVE MINIMUM TAXABLE INCOME SHALL BE THE FEDERAL ALTERNATIVE MINIMUM TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 55 OF THE INTERNAL REVENUE CODE, MINUS THE APPLICABLE FEDERAL EXEMPTIONS ALLOWED PURSUANT TO SUCH SECTION, WITH THE MODIFICATIONS PROVIDED IN SECTION 39-22-301; EXCEPT THAT ANY STATE OR LOCAL BOND INTEREST INCLUDED IN THE FEDERAL ALTERNATIVE MINIMUM TAXABLE INCOME SHALL NOT BE ADDED BACK IN DETERMINING THE COLORADO ALTERNATIVE MINIMUM TAXABLE INCOME, AND ANY INTEREST INCOME FROM OBLIGATIONS OF THE STATE OF COLORADO OR ANY POLITICAL SUBDIVISION THEREOF WHICH IS EXEMPT FROM THE COLORADO TAX IMPOSED PURSUANT TO THE PROVISIONS OF SECTION 39-22-304(2)(B) SHALL BE SUBTRACTED FROM THE FEDERAL ALTERNATIVE MINIMUM TAXABLE INCOME TO THE EXTENT INCLUDED THEREIN IN DETERMINING COLORADO ALTERNATIVE MINIMUM TAXABLE INCOME.

**SECTION 6.** Section 39-22-123(1)(b), Colorado Revised Statutes is amended to read:

39-22-123. Earned income tax credit.

~~(1) (b) Subject to the provisions of subsection (4) of this section, for any income tax year commencing on or after January 1, 2000, if, based on the financial report prepared by the controller in accordance with section 24-77-106.5, C.R.S., the controller certifies that the amount of state revenues for the state fiscal year ending in that income tax year exceeds the limitation on state fiscal year spending imposed by section 20 (7) (a) of article X of the state constitution and the voters statewide either have not authorized the state to retain and spend all of the excess state revenues or have authorized the state to retain and spend only a portion of the excess state revenues for that fiscal year, FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2012, a resident individual or part-year resident individual who claims an earned income tax credit on the individual's federal tax return shall be allowed an earned income tax credit against the taxes due on the individual's income under this article. The amount of the credit shall be an amount equal to ~~ten~~ TWENTY percent of the amount of the federal credit claimed on the resident individual's federal tax return or, in the case of a part-year resident individual, such amount as shall reflect ~~ten~~ TWENTY percent of the federal earned income credit earned while a resident of Colorado.~~

**SECTION 7. Repeal.** 39-22-123(4) and 39-22-123(5), Colorado Revised Statutes, are repealed.

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February 18, 2011

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Colorado Secretary of State

1:45 PM  
C.H.

The Honorable Scott Gessler  
Secretary of State  
State of Colorado  
Department of State  
1700 Broadway, Suite 200  
Denver, Colorado

Re: Ballot Initiative Measures 2011-12 #13 - #18

Dear Mr. Gessler:

On behalf of proponents Carol Hedges and Marijo Rymer, I hereby submit to your office pursuant to Section 1-40-105(4), C.R.S. the final language for proposed ballot initiatives to appear on the November 1, 2011 ballot. Also enclosed are copies of the initiatives as originally filed with the Legislative Council and Office of Legislative Legal Services and versions marked to reflect the changes between the final versions and the original filings.

The mailing addresses for the proponents are:

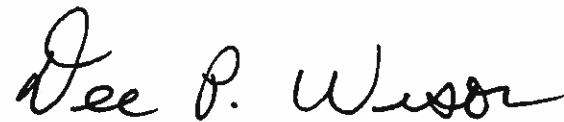
Carol Hedges  
2217 Elm Street  
Denver, Colorado 80207

Marijo Rymer  
9071 East Mississippi, #346  
Denver, Colorado 80247

Please transmit an additional copy of any documentation to me.

We request that these matters be considered at the March 2 meeting of the Title Board. Thank you for your attention to these matters.

Sincerely,

  
Dee P. Wisor

DPW/to  
Enclosures  
cc: Carol Hedges  
Marijo Rymer