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#19 Original

VERSION #2C

ELECTIONS/LICENSING
SECRETARY OF STATE

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

SECTION 1. Section 17 of article IX of the Constitution of the state of Colorado is amended TO READ and BY THE ADDITION OF THE FOLLOWING SUBSECTIONS to read:

Section 17. Education – funding.

(6) PROPERTY TAX FOR PUBLIC SCHOOL FUNDING. SOLELY AS IT AFFECTS LOCAL PROPERTY TAXES DEDICATED TO PUBLIC SCHOOL FUNDING, WHENEVER THERE IS A CHANGE IN THE LEVEL OF ACTUAL RESIDENTIAL REAL PROPERTY VALUE THAT WOULD OTHERWISE WARRANT A REDUCTION IN THE RATIO OF VALUATION FOR ASSESSMENT FOR RESIDENTIAL REAL PROPERTY, THE GENERAL ASSEMBLY SHALL, NOTWITHSTANDING ANY OTHER PROVISION OF LAW, REDUCE THE RESIDENTIAL ASSESSMENT RATE THAT IS APPLICABLE TO PUBLIC SCHOOL FUNDING AND SHALL CONTINUE TO DO SO ANNUALLY UNTIL THE RATE THAT APPLIES TO PUBLIC SCHOOL FUNDING IS LOWERED TO AND IS THEREAFTER MAINTAINED AT 7.9 PERCENT.

(7) STATE EDUCATIONAL ACHIEVEMENT FUND.

(a) THE STATE EDUCATIONAL ACHIEVEMENT FUND IS CREATED IN THE STATE TREASURY.

(b) THE DEPARTMENT OF REVENUE OR ITS SUCCESSOR AGENCY SHALL ANNUALLY DETERMINE THE AMOUNT OF TAX REVENUE COLLECTED BY THE STATE OF COLORADO THAT IS ATTRIBUTABLE TO THE INCOME TAX INCREMENT FOR PUBLIC SCHOOL FUNDING. SUCH AMOUNTS SHALL BE DEPOSITED IN THE STATE EDUCATIONAL ACHIEVEMENT FUND.

(c) THE STATE EDUCATIONAL ACHIEVEMENT FUND SHALL BE APPROPRIATED TO BENEFIT THE EDUCATION OF KINDERGARTEN THROUGH TWELFTH GRADE STUDENTS AND PARTICIPANTS IN PRESCHOOL PROGRAMS BY IMPLEMENTING EDUCATIONAL REFORMS AND PROGRAMMATIC ENHANCEMENTS, ENACTED BY THE COLORADO GENERAL ASSEMBLY.

(d) THE STATE EDUCATIONAL ACHIEVEMENT FUND SHALL BE AUDITED ANNUALLY BY THE STATE AUDITOR TO ENSURE COMPLIANCE WITH THIS ARTICLE. THE RESULTS OF SUCH AUDIT SHALL BE A PUBLIC DOCUMENT THAT IS TRANSMITTED TO THE GOVERNOR, THE PRESIDENT AND MINORITY LEADER OF THE SENATE, AND THE SPEAKER AND THE MINORITY LEADER OF THE HOUSE

OF REPRESENTATIVES. SUCH AUDIT SHALL BE CONSPICUOUSLY PLACED ON THE WEBSITES OF THE STATE AUDITOR AND THE COLORADO DEPARTMENT OF EDUCATION OR THEIR SUCCESSOR AGENCIES.

(e) ALL INTEREST EARNED ON MONIES IN THE STATE EDUCATIONAL ACHIEVEMENT FUND SHALL BE DEPOSITED IN THE STATE EDUCATIONAL ACHIEVEMENT FUND AND SHALL BE USED BEFORE ANY PRINCIPAL IS DEPLETED. MONIES REMAINING IN THE STATE EDUCATIONAL ACHIEVEMENT FUND AT THE END OF ANY FISCAL YEAR SHALL REMAIN IN THE FUND AND NOT REVERT OR BE TRANSFERRED TO THE GENERAL OR ANY OTHER FUND.

(8) NEW REVENUE TO SUPPLEMENT PREVIOUS YEAR EDUCATION FUNDING. REVENUES COLLECTED FROM THE INCOME TAX INCREMENT FOR PUBLIC SCHOOL FUNDING SHALL BE USED TO SUPPLEMENT REVENUES THAT WERE APPROPRIATED BY THE GENERAL ASSEMBLY IN THE PREVIOUS FISCAL YEAR FOR KINDERGARTEN THROUGH TWELFTH GRADE AND PRESCHOOL EDUCATION AND SHALL NOT BE USED TO SUPPLANT ANY PORTION OF THOSE PREVIOUSLY APPROPRIATED REVENUES.

(9) REVENUE AND SPENDING LIMITATIONS. ALL REVENUES ATTRIBUTABLE TO THE INCOME TAX INCREMENT FOR PUBLIC SCHOOL FUNDING OR OTHERWISE ADDRESSED BY SUBSECTION (6) OR (7) SHALL BE COLLECTED AND SPENT AS VOTER-APPROVED REVENUE CHANGES WITHOUT REGARD TO ANY LIMITATION ON REVENUE, SPENDING, OR APPROPRIATIONS, CONTAINED IN SECTION 20 OF ARTICLE X OF THIS CONSTITUTION OR ANY OTHER LAW. SPENDING OF SUCH REVENUE, CONSISTENT WITH THE EXPRESSED INTENTION OF THE VOTERS AT THE 2013 ELECTION, SHALL REQUIRE NO ADDITIONAL VOTER APPROVAL AT ANY STATE OR LOCAL ELECTION.

SECTION 2. Subsection 8 of section 20 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; EXCEPT THAT MULTIPLE RATES SHALL APPLY TO TAXABLE NET INCOME OF INDIVIDUALS, TRUSTS, AND ESTATES, IF SPECIFIC RATE INCREASES IN EXCESS OF THE TAX RATE IN EFFECT ON THE DAY OF AN ELECTION ARE APPROVED BY VOTERS FOR THE PURPOSE OF PROVIDING AN INCOME TAX INCREMENT FOR PUBLIC SCHOOL FUNDING.

SECTION 3. Section 39-22-104(1.7) of the Colorado Revised Statutes is amended to read:

(1.7) Except as otherwise provided in section 39-22-627, subject to subsection (2) of this section, with respect to taxable years commencing on or after January 1, 2000, a tax of four and sixty-three 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. IN ADDITION TO THE TAX RATE AUTHORIZED IN THIS SUBSECTION ON FEDERAL TAXABLE INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS, AN INCOME TAX INCREMENT FOR PUBLIC SCHOOL FUNDING SHALL BE IMPOSED ON THE FEDERAL TAXABLE INCOME OF SUCH TAXPAYERS:

- (a) UP TO AND INCLUDING \$50,000, AT THE RATE OF TWELVE ONE HUNDREDTHS PERCENT;
- (b) OVER \$50,000, BUT NOT EXCEEDING \$75,000, AT THE RATE OF EIGHTY-SEVEN HUNDREDTHS PERCENT;
- (c) OVER \$75,000, BUT NOT EXCEEDING \$100,000, AT THE RATE OF ONE AND THIRTY-SEVEN HUNDREDTHS PERCENT;
- (d) OVER \$100,000, BUT NOT EXCEEDING \$200,000, AT THE RATE OF ONE AND EIGHTY-SEVEN HUNDREDTHS PERCENT; AND
- (e) OVER \$200,000, AT THE RATE OF TWO PERCENT.

THE GENERAL ASSEMBLY MAY ANNUALLY ADJUST THE INCOME THRESHOLDS FOR THE INCOME TAX INCREMENT FOR PUBLIC SCHOOL FUNDING FOR INFLATION FROM THE PREVIOUS YEAR.

