

Initiative 2017-2018 #62

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S. WARD

2:36 P.M.

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

Colorado Secretary of State

Colorado Revised Statutes 39-22-130. Income tax.

- (1) Income tax law is long, complex, vague, and harsh. It should be short, simple, clear, and fair. The people must act. All penalties for income tax violations shall be replaced by civil cases and civil fines. This "Fair And Simple Tax" law, severable and effective on passage, shall supersede all conflicting laws, rules, and practices.
- (2) New returns with only four lines shall be filed for 2019 and all later tax years. **Line 1** shall list federal taxable income times 4.6%. **Line 2** shall print a flat dollar amount that, times all resident returns, equals all state income tax credits in 2018, and in the tax year all state tobacco settlement revenue, all state registration fees over \$10 per vehicle, all non-federal revenue to state enterprises started after 2000 without voter approval, and all excess revenue retained by use of Referendum C. Residents may list that amount (doubled for joint returns) or less. "Residents" means full-year Colorado adults. **Line 3** shall list, with attachments, all prepaid state income tax, and 4.6% of income subtractions and income not from Colorado sources. **Line 4** shall list net state income tax or refund due (line 1 minus lines 2 and 3).
- (3) The state shall start its income tax claims within one year after state and federal returns are filed or due. It shall accept federal findings on federal taxable income. Filers may have civil audits and a local civil jury. The state burden of proof is clear and convincing evidence. Filers shall pay a line 4 tax due, receive three times a state overcharge, plus \$300, and pay three times a proven tax deficit. Income tax refunds shall be paid in 30 days. Late payments bear 0.75% monthly interest and no penalty. All state income tax criminal cases, both prior and pending, shall be dismissed and void. No property shall be seized, levied, or liened before final court judgment for income tax due. The state shall not pursue tax deficits under \$20. Returns may be filed online.
- (4) Income tax increases shall list a fixed yearly dollar amount in their ballot titles, start the next tax year, and expire in four years. Extension of an expiring income tax increase requires a tax increase ballot title. In the next six general election years, the income tax rate shall be 0.1% less each such year until it reaches 4%.