

BEFORE THE COLORADO BALLOT TITLE SETTING BOARD

Jon Caldara and Eric Broughton, Objectors/Proponents

MOTION FOR REHEARING ON INITIATIVE 2021-2022 #130

Jon Caldara and Eric Broughton, registered electors of the State of Colorado and proponents of Proposed Initiative 2021-2022 #130 by and through counsel, object to the Title Board's title and ballot title and submission clause set for Proposed Initiative 2021-2022 #130. The Board met on April 21, 2022, to consider Initiative 2021-2022 #130 and set the following title:

There shall be a reduction to the state income tax by 0.33%, thereby reducing state revenue, which will reduce funding for state expenditures that include but are not limited to health and human services programs, K-12 education, and corrections and judicial operations by an estimated \$38,400,000 in tax revenue by a change to the Colorado Revised Statutes to reduce the state income tax rate from 4.55% to 4.54%.

Proponents object to the title as set because it is inaccurate and misleading. The title set by the Board incorrectly states that the passage of Proposed Initiative 2021-2022 #130 would reduce funding for health and human services programs, K-12 education, and corrections and judicial operations.

Current Budget Projections:

According to the most recent projections published by Colorado Legislative Council Staff (March 2022 Economic & Revenue Forecast) state revenues are expected to exceed TABOR refund limits from the current fiscal year and by increasing amounts through fiscal year 2023-2024.

Proposed Initiative 2021-2022 #130 reduces income tax revenue by an estimated \$38.4 million in budget year 2022-2023 and other amounts in future years as specified in the Fiscal Summary (attached). However, it is inconceivable that this reduction will result in actual reduced general fund funding for the listed programs and operations.

Grounds for Objections:

Proponents believe that the title as set violates the requirement that an initiative title be clear and accurate and not mislead the voting public. Particularly, where, as here, there will be a

proposed reduction in income tax revenues in years where there will be a projected surplus large enough to trigger a TABOR refund. Such statements are inaccurate and misleading.

Voters will be misled by the title language in Proposed Initiative 2021-2022 #130 as required by H.B. 21-1321.

WHEREFORE, the title set for Proposed Initiative 2021-2022 #130 should be corrected to be accurate and not misleading.

Respectfully submitted this 27th day of April, 2022

/s/ Shayne M. Madsen
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Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

Initiative 130

Fiscal Summary

Date: April 15, 2022

Fiscal Analyst: Jeff Stupak (303-866-5834)

LCS TITLE: STATE INCOME TAX RATE REDUCTION

Fiscal Summary of Initiative 130

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at www.colorado.gov/bluebook. This fiscal summary identifies the following impact.

State revenue. By reducing the state income tax rate from 4.55 percent to 4.54 percent, the measure reduces state General Fund revenue from income taxes by an estimated \$38.4 million in budget year 2022-23 and \$25.7 million in budget year 2023-24, with ongoing reductions in future years. The estimate for budget year 2022-23 represents a full-year impact for tax year 2022 and a half-year impact for tax year 2023.

State expenditures. Through the 2023-24 budget year, the measure is expected to decrease the state obligation for constitutionally required refunds to taxpayers by the amounts shown in the state revenue section above. In future years when refunds are not required, the measure reduces the General Fund amount available to be spent or saved. The General Fund is used to fund various state services, including health care, education, and human services. To accomplish the tax rate change, the measure is expected to increase General Fund expenditures for the Department of Revenue by \$10,800.

Economic impacts. Taxpayers will have more after-tax income available to spend or save, increasing their consumption of goods and services. The measure will decrease state government spending. Any overall change in economic activity will depend on the net economic impact of higher after-tax household and business income and reduced investment in public services.