



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Initiative 138

## Fiscal Summary

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**LCS TITLE: MINIMUM WAGE FOR EMPLOYEES OF CERTAIN ALCOHOL-RELATED BUSINESSES**

### Fiscal Summary of Initiative 138

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](http://www.colorado.gov/bluebook). This fiscal summary identifies the following impact.

**State and local revenue.** By increasing the minimum wage for workers who sell or deliver alcohol, Initiative 138 may increase state income tax revenue if the number of employees eligible for the increased minimum wage stays at least constant, and those employees pay additional income tax as a result of the measure. In addition, to the extent that retailers raise prices to offset higher wages, state and local sales tax collections may also increase.

**Economic impacts.** Raising the minimum wage will increase incomes for certain employees, allowing them to spend more and increasing overall economic activity. At the same time, higher wages will decrease the amount that certain businesses may spend elsewhere, reducing their capital investments, spending on other employees, or retained profits. The net impact will depend on how increased economic activity from spending by workers is offset by reduced business activity.