

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

SECTION 1. In the constitution of the state of Colorado, section 20 of article X, **amend** (8)(a) as follows:

(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. In Colorado Revised Statutes, 39-22-104, **amend** (1.7) and (2); and **add** (1.8) as follows:

39-22-104. Income tax imposed on individuals, estates, and trusts - report - tax preference performance statement - legislative declaration - definitions - repeal. (1.7)(c) 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, 2022, BUT BEFORE JANUARY 1, 2027, a tax of four and forty 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.

(1.8) SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2027, A GRADUATED TAX IS IMPOSED ON FEDERAL TAXABLE INCOME, AS DETERMINED BY SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST AS FOLLOWS:

(a) FOR FEDERAL TAXABLE INCOME LESS THAN OR EQUAL TO ONE HUNDRED THOUSAND DOLLARS, THE TAX IS FOUR AND TWENTY ONE-HUNDREDTHS PERCENT;

(b) FOR FEDERAL TAXABLE INCOME GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS AND (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS;

(c) FOR FEDERAL TAXABLE INCOME GREATER THAN FIVE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS, (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, AND (III) SEVEN AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN FIVE HUNDRED THOUSAND DOLLARS;

(d) FOR FEDERAL TAXABLE INCOME GREATER THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO ONE MILLION DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS, (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, (III) SEVEN AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN FIVE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS, AND (IV) EIGHT AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS; AND

(e) FOR FEDERAL TAXABLE INCOME GREATER THAN ONE MILLION DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS, (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, (III) SEVEN AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN FIVE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS, (IV) EIGHT AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO ONE MILLION DOLLARS; AND (V) NINE AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE MILLION DOLLARS.

(2) Prior to the application of the rate of tax prescribed in subsection (1), (1.5), ~~or~~ (1.7), or (1.8) of this section, the federal taxable income shall be modified as provided in subsections (3) and (4) of this section.

SECTION 3. In Colorado Revised Statutes, 39-22-301, **amend** (1)(d)(I)(K) and add (1)(d)(I)(L) as follows:

39-22-301. Corporate tax imposed – repeal. (1)(d)(I)(K). Except as otherwise provided in section 39-22-627, for income tax years commencing on or after January 1, 2022, BUT BEFORE JANUARY 1, 2027, four and forty one-hundredths percent of the Colorado net income.

(1)(d)(I)(L). FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2027, A GRADUATED TAX IS IMPOSED ON COLORADO NET INCOME, AS DETERMINED UNDER THIS SECTION, OF EVERY DOMESTIC C CORPORATION, FOREIGN C CORPORATION, AND COMBINED GROUP, AS DEFINED IN SECTION 39-22- 303(12)(a.3) 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, AS FOLLOWS:

(i) FOR COLORADO NET INCOME LESS THAN OR EQUAL TO ONE HUNDRED THOUSAND DOLLARS, THE TAX IS FOUR AND TWENTY ONE-HUNDREDTHS PERCENT;

(ii) FOR COLORADO NET INCOME GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS AND (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN

ONE HUNDRED THOUSAND DOLLARS;

(iii) FOR COLORADO NET INCOME GREATER THAN FIVE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS, (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, AND (III) SEVEN AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN FIVE HUNDRED THOUSAND DOLLARS;

(iv) FOR COLORADO NET INCOME GREATER THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO ONE MILLION DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS, (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, (III) SEVEN AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN FIVE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS, AND (IV) EIGHT AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS; AND

(v) FOR COLORADO NET INCOME GREATER THAN ONE MILLION DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS, (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, (III) SEVEN AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN FIVE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS, (IV) EIGHT AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO ONE MILLION DOLLARS; AND (V) NINE AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE MILLION DOLLARS.

SECTION 4. In Colorado Revised Statutes, **add** 24-77-103.3 as follows:

24-77-103.3. Voter approved revenue change – retention and use of revenue – accountability. (1) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, FOR EACH FISCAL YEAR COMMENCING ON OR AFTER JANUARY 1, 2026, ALL REVENUE COLLECTED UNDER THE INCOME TAX RATES ESTABLISHED BY SECTION 39-22-104(1.8) AND SECTION 39-22-301(1)(d)(I)(L) IN EXCESS OF THE REVENUE THAT WOULD BE GENERATED IN ANY SUCH TAXABLE YEAR BY APPLYING THE INCOME TAX RATE THAT EXISTED AS OF DECEMBER 31, 2026 (“EXCESS REVENUE”), SHALL CONSTITUTE A VOTER APPROVED REVENUE CHANGE UNDER SECTION 20(7)(d) OF ARTICLE X OF THE COLORADO CONSTITUTION, AND AN EXCEPTION TO THE LIMITS THAT WOULD OTHERWISE APPLY WITHOUT LIMITING OR AFFECTING THE COLLECTION OR SPENDING OF OTHER REVENUES.