

Ballot Title Setting Board

Proposed Initiative 2007-2008 #88¹

The title as designated and fixed by the Board is as follows:

State taxes shall be increased \$213.3 million annually by an amendment to the Colorado Revised Statutes concerning the severance tax on oil and gas extracted in the state, and, in connection therewith, for taxable years commencing on or after January 1, 2009, modifying the existing severance tax on oil and gas extracted in the state by eliminating both an exemption for wells with minimal production and a credit against the tax based on property taxes paid by producers; adjusting the tax rate levied on operators based on the amount of their gross income from the sale of oil and gas; imposing the tax on the gross income from the first sale of oil and gas by operators; exempting revenues from the tax and related investment income from state and local government spending limits; and requiring specified percentages of the tax revenues to be credited to (1) the state severance tax trust fund, (2) the local government severance tax fund, and (3) the severance tax stabilization trust fund, which the measure creates to be used to fund new energy economy programs, the preservation of native wildlife habitat, the college opportunity fund, higher education contracts for certain services, and transportation grants to counties and municipalities impacted by the severance of oil and gas.

The ballot title and submission clause as designated and fixed by the Board is as follows:

Shall state taxes be increased \$213.3 million annually by an amendment to the Colorado Revised Statutes concerning the severance tax on oil and gas extracted in the state, and, in connection therewith, for taxable years commencing on or after January 1, 2009, modifying the existing severance tax on oil and gas extracted in the state by eliminating both an exemption for wells with minimal production and a credit against the tax based on property taxes paid by producers; adjusting the tax rate levied on operators based on the amount of their gross income from the sale of oil and gas; imposing the tax on the gross income from the first sale of oil and gas by operators; exempting revenues from the tax and related investment income from state and local government spending limits; and requiring specified percentages of the tax revenues to be credited to (1) the state severance tax trust fund, (2) the local government severance tax fund, and (3) the severance tax stabilization trust fund, which the measure creates to be used to fund new energy economy programs, the preservation of native wildlife habitat, the college opportunity fund, higher education contracts for certain services, and transportation grants to counties and municipalities impacted by the severance of oil and gas?

Hearing April 16, 2008:

Single subject approved; staff draft amended; titles set.

Hearing adjourned 11:15 a.m.

¹ Unofficially captioned “**Severance Tax**” by legislative staff for tracking purposes. Such caption is not part of the titles set by the Board.