



TO: House Finance Committee: Marc Snyder Chair, Junie Joseph, Lisa Frizell, Lorena Garcia, Anthony Hartsook, Cathy Kipp, William Lindstedt, Bob Marshall, Matt Soper, Ron Weinberg, Chris deGruy Kennedy

March 10, 2024 HB 24-1243 Income Tax Owed by Minors on Earned Income

Dear Members of the House Finance Committee:

My name Christina Manthey and I live in Highlands Ranch, CO. I am a member of the Action & Advocacy Team for the League of Women Voters of Colorado (LWVCO), I am representing the League regarding **HB 24-1243 Income Tax Owed by Minors on Earned Income**. LWVCO is a nonpartisan organization that encourages active participation in government. The Colorado League has over 1900 members in 19 local Leagues spanning the state. LWVCO members urge you to oppose **HB 24-1243 Income Tax Owed by Minors on Earned Income**

The League of Women Voters of Colorado believes that democratic government depends upon informed and active participation in government. The League of Women Voters also supports an income tax system that raises revenue while incorporating social, environmental, and economic goals;

HB 24-1243, while well-meaning does not encourage citizen involvement. As a society we frequently speak about our rights as citizens, but we seldom speak about our responsibilities as citizens. One of our responsibilities as citizens is to pay taxes. Enactment of this bill eliminates one of the opportunities to teach the young about their responsibilities. Why should a young person not learn from the moment they get a job about their responsibilities to society in the form of taxes? Since most young people will not make enough money to owe a significant amount of tax, it is an excellent training tool with very little cost.

Congress enacted the kiddie tax in 1986. This was done to prevent income shifting. Under HB 24-1243, parents with a business can list their child as an employee; shifting income to the child resulting in that portion of the income being free of Colorado taxes. HB24-1243 would encourage such activities. Reducing the tax the child will pay will increase profits on the child's "income" by 4.4%.

This bill has a hidden cost. It will require significant reprogramming on the part of payroll systems. The present software does not have an age consideration built in to allow for Colorado to have this as a separate requirement for withholding.

The League of Women Voters of Colorado urges you to vote NO on HB24-1243 Income Tax Owed by Minors on Earned Income

Sincerely,

Christina A. Manthey

League of Women Voters of Colorado
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