Proposition MM: Increase State Taxes for School Meals and Food Assistance Programs

Placed on the ballot by the legislature • Passes with a majority vote

Proposition MM, if approved, would:

- increase state income taxes paid by households earning $300,000 or more annually; and
- use the new tax revenue to provide funding for the Healthy School Meals for All Program, which offers free breakfast and lunch to all students at participating public schools, and the Supplemental Nutrition Assistance Program (SNAP), which provides food assistance to low-income households.

What Your Vote Means

YES

A “yes” vote on Proposition MM increases state income taxes for households earning $300,000 or more annually. The increased tax revenue will be used to offer free school meals to all public school students, implement previously approved local food purchasing and employee wage components of the Healthy School Meals for All program, and help fund SNAP.

NO

A “no” vote on Proposition MM keeps state income taxes for households earning $300,000 or more annually unchanged.

Summary and Analysis of Proposition MM

What does Proposition MM do?

Proposition MM raises up to an additional $95 million in tax year 2026 and similar amounts in future years by increasing income taxes on households earning $300,000 or more annually. The additional tax revenue raised under the measure will fully fund the Healthy School Meals for All Program and support the Supplemental Nutritional Assistance Program (SNAP). Specifically, it will fund:

- reimbursements to participating school meal providers to continue offering free school breakfasts and lunches (“school meals”) to all students at participating public schools;

- increases in wages and stipends for school meal employees, and grants for local food purchasing and related technical assistance; and
- a portion of state SNAP implementation and outreach costs.

The measure requires that school meal reimbursements, school meal employee wage increases, and local food purchasing and technical assistance grants be fully funded before the additional tax revenue can be used for SNAP.

What is the Healthy School Meals for All Program?

In November 2022, voters passed Proposition FF, which created the Healthy School Meals for All Program in the Colorado Department of Education. The program reimburses participating school meal providers that offer free school meals to all students at participating public schools, regardless of family income. To qualify for the program, schools must also participate in the National School Lunch Program and receive federal meal funding.

The Healthy School Meals for All Program also included three additional funding components for school meal providers; however, these have not been implemented due to program costs exceeding available funds. These program components include funding to:

- purchase products grown, raised, and processed in Colorado to include in school meals and establish student-parent school meal advisory committees;
- increase wages or provide stipends for employees who prepare and serve school meals; and
- offer training, equipment, and technical assistance to help prepare healthy school meals using basic, nutritious ingredients, and to support collaboration between schools, communities, and local food growers.

How is the Healthy School Meals for All Program funded?

The program is funded through state income taxes paid by households with adjusted gross incomes of $300,000 or more by limiting the amount of money they can deduct from their Colorado taxable income. Deductions are limited to $12,000 for single filers and $16,000 for joint filers through 2025, and will increase in 2026 under current law. Any federal deductions taken above those amounts are added back to a household's Colorado taxable income. This affects an estimated 200,000 households, or about 6 percent of households filing tax returns in Colorado.

To date, the tax revenue collected has been less than the total cost of the program, because both student participation and inflation were higher than expected. As a result, program funding has only gone towards reimbursement for free school meals and administrative costs.

Under state law, the program is required to have at least $150 million in funding from new and existing sources to continue offering meals to all public school students. Based on current revenue estimates, if either Proposition LL or Proposition MM passes, the program will meet this revenue target. If both measures fail, then beginning January 2026, only certain students will be offered free school meals. In eligible low-income public schools, free school meals will be offered to all students. In all other public schools, free school meals will be offered to eligible low-income students. Eligibility is determined by federal income requirements.

What is the Supplemental Nutrition Assistance Program and how is it funded?

SNAP provides monthly payments to low-income individuals and families to purchase food, based on their income, resources, and household size. SNAP also includes outreach and nutrition education programs. Some participants must meet certain work requirements to maintain eligibility. The program is primarily federally funded, and administered by state and county human services departments. Recently enacted federal policy (H.R.1 - One Big Beautiful Bill Act) will increase SNAP costs paid by the state. A portion of the money raised by Proposition MM will be used by the state to cover new implementation and outreach costs.

How does Proposition MM raise income taxes?

Currently, federal deductions to Colorado taxable income are limited to $12,000 for single filers and $16,000 for joint filers for households earning $300,000 or more annually. These limits are scheduled to increase in 2026 under current law if Proposition LL is not approved by voters. Any federal deductions a household takes above these amounts must be added back to their Colorado taxable income. Proposition MM lowers the deduction limits to $1,000 for single filers and $2,000 for joint filers, increasing the amount of taxes they will owe.

For example, if a married couple filing jointly earns $300,000 or more annually and claims the standard deduction of $31,500 on their federal income taxes, the 2025 deduction limit of $16,000 requires that they add back $15,500 to their state taxable income, which increases their state income taxes owed by $682. Under Proposition MM, the new $2,000 deduction limit would require this household to add back an additional $14,000, and they would pay an additional $616 in state income taxes, resulting in a total of $1,298 in tax revenue.

Table 1 below illustrates the change in deduction limit and taxes owed under the measure. It uses estimated averages, which differ from the example above.

Table 1
Deduction Limits under Proposition MM

Household Income	Deduction Limit in 2025	Deduction Limit Under Prop. MM	Average Change in Income Tax Owed
$299,999 or less	none	none	$0
$300,000 or more Single Filer	$12,000	$1,000	$327
$300,000 or more Joint Filer	$16,000	$2,000	$574

Source: Legislative Council Staff.

How does Proposition MM interact with Proposition LL?

Table 2 and Table 3 show the impacts of Proposition MM depending on the outcome of Proposition LL.

Table 2
Impact of Proposition MM Passing

Provision	Both Prop. LL and Prop. MM Pass	Prop. LL Fails and Prop. MM Passes
Deduction limits for households earning $300,000 or more annually	Single filer deduction limit reduced to $1,000 and joint filer deduction limit reduced to $2,000.	Single filer deduction limit reduced to $1,000 and joint filer deduction limit reduced to $2,000.
Revenue impact	The state will keep and spend $12.4 million in revenue already collected. Up to $95 million in new tax revenue per year, paid by households earning $300,000 or more annually, will be available for the programs.	The state will refund $12.4 million in revenue already collected to households earning $300,000 or more annually. Up to $95 million in new tax revenue per year, paid by households earning $300,000 or more annually, will be available for the programs.
Use of funds	Free school meals will continue to be offered to all students at participating public schools. Local food purchasing and assistance programs and employee wage increases for school meal providers will be fully funded. Funding will be available to support SNAP costs.	Free school meals will continue to be offered to all students at participating public schools. Local food purchasing and assistance programs and employee wage increases for school meal providers will be fully funded. Funding will be available to support SNAP costs.

Table 3
Impact of Proposition MM Failing

Provision	Prop. LL Passes and Prop. MM Fails	Both Prop. LL and Prop. MM Fail
Deduction limits for households earning $300,000 or more annually	No change from 2025: single filer deduction limit at $12,000, and joint filer deduction limit at $16,000.	The Department of Revenue will raise deduction limits so that taxes paid decrease to align with the estimate initially approved by voters in 2022.
Revenue impact	The state will keep and spend $12.4 million in revenue already collected. Revenue collections will increase by about $13.8 million per year.	The state will refund $12.4 million in revenue already collected to households earning $300,000 or more annually. No new revenue will be collected.
Use of funds	Free school meals will continue to be offered to all students at participating public schools through the 2025-26 school year, and in future years as funding allows. The state must spend at least $1.0 million for local food purchasing and technical assistance for school meal providers. No new SNAP funding will be available from Proposition MM.	Free school meals will be limited to all students in eligible low-income schools, and eligible low-income students at all other schools. Grant programs for school meal providers will not be funded unless other state funding is available. No new SNAP funding will be available from Proposition MM.

For information on those issue committees that support or oppose the measures on the ballot at the November 4, 2025, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

https://coloradosos.gov/pubs/elections/Initiatives/InitiativesHome.html

Arguments For Proposition MM

1) Proposition MM ensures that free school meals are available to all Colorado students. The Healthy School Meals for All Program has been more highly utilized than anticipated, demonstrating the strong need for a universal free school meal program. Access to free school meals improves academic and health outcomes and helps families at a time when food costs are rising and federal assistance is declining. When fully implemented, the program also provides students with locally sourced, healthy food and boosts compensation for school meal workers in Colorado communities.

2) Many Colorado families and individuals rely on SNAP for some or all of their food needs. SNAP improves health, economic, and educational outcomes for low-income families. The funding provided by the measure will lessen the impact of recent federal cuts to the program and allow the state to continue important food assistance and nutrition education programs.

Arguments Against Proposition MM

1) Proposition MM gives more taxpayer money to excessive government programs. The school meals program provides food to kids who do not need it or eat it, wasting both money and food. Federal changes are meant to make SNAP more cost-effective, and state taxpayers should not be on the hook for funding the program’s inefficiencies. The state should live within its means and provide assistance to only those who need it most, rather than asking for millions more from taxpayers.

2) Proposition MM is a tax increase. For many households, this would more than double the amount they have to pay, a significant additional expense. The state should not be raising taxes on any households during a time of economic uncertainty.

Fiscal Impact of Proposition MM

Taxpayer Impacts

Proposition MM will increase the amount of income tax owed by taxpayers who earn $300,000 or more annually. State law requires Legislative Council Staff to estimate the potential tax burden on affected taxpayers within specified income categories. Table 4 shows the expected change in tax burden. The actual impact on any given taxpayer with income of $300,000 or more will depend on the deductions taken on their federal income tax return. For taxpayers with incomes of $400,000 or more, the new limits on deductions will be applied in addition to the existing limits on deductions in state law.

Table 4
Estimated Impact on Taxpayers by Income

Income Category	Estimated Number of Taxpayers	Total Change in Tax Burden	Average Change in Tax Burden
$14,999 or less	591,046	No change	No change
$15,000 to $29,999	511,603	No change	No change
$30,000 to $39,999	330,135	No change	No change
$40,000 to $49,999	280,624	No change	No change
$50,000 to $69,999	416,362	No change	No change
$70,000 to $99,999	397,703	No change	No change
$100,000 to $149,999	360,508	No change	No change
$150,000 to $199,999	165,640	No change	No change
$200,000 to $249,000	82,125	No change	No change
$250,000 to $499,999			
$250,000 to $299,999	45,290	No change	No change
$300,000 to $499,999	117,071	+$29.3 million	+$250
$500,000 to $999,999	50,840	+$23.3 million	+$458
$1,000,000 or more	24,648	+$50.4 million	+$2,045
Subtotal Income under $300,000	3,181,034	$0	$0
Subtotal Income over $300,000	192,559	+$103.0 million	+$535
Total	**3,373,594**	**+$103.0 million**	

The estimated number of taxpayers column counts joint filers as one taxpayer. Estimates are based on Colorado Department of Revenue data for full-year residents for tax year 2020, adjusted for 2023 tax year data for Proposition FF and Legislative Council Staff estimates.

State Revenue

By reducing state income tax deductions for households earning $300,000 or more annually, Proposition MM is expected to increase state revenue by an estimated $50.7 million in state budget year 2025-26 (half-year impact), and by $103.0 million in state budget year 2026-27. The measure only allows the state to keep $95.0 million; any revenue collected above that amount will be refunded to taxpayers unless voters approve a future measure to allow the state to keep the additional revenue. Up to $95.0 million in new revenue will qualify as a voter approved revenue change and will not count toward the state’s constitutional revenue limit. The state budget year begins each July 1 and ends on June 30.

With the passage of Proposition MM, total revenue to the Healthy School Meals for All program is estimated to be $238.5 million in tax year 2026, which exceeds the current law revenue target that is required to allow free school meals to continue to be offered to all students in all public schools.

State Spending

Proposition MM will increase state spending by $32.0 million in state budget year 2025-26 and $126.2 million in state budget year 2026-27. The spending will be used for the Healthy School Meals for All Program and SNAP, and in state budget year 2026-27 only, for Department of Revenue administration costs. This increase includes the following:

- additional reimbursements to provide free school meals to all students, rather than limiting them to only certain schools and students ($32.0 million in state budget year 2025-26, and $66.0 million in state budget year 2026-27 and ongoing);
- grants for local food purchasing and technical assistance and wage increases and stipends for school meal employees ($33.0 million in state budget year 2026-27 and ongoing);
- spending for SNAP ($27.2 million in state budget year 2026-27 and varying amounts in future years based on available funding); and
- costs for the Department of Revenue to administer the tax changes ($20,000 in state budget year 2026-27).

School District Revenue and Spending

Proposition MM provides $32.0 million in additional funding to participating school districts in state budget year 2025-26, and $99.0 million in state budget year 2026-27 for school meals, local food purchasing and technical assistance, and school meal employee wage increases. The state will continue to fully reimburse all participating school districts for breakfast and lunches served to all students, rather than restricting meal reimbursements to eligible low-income students and schools. This funding will be distributed through the Healthy School Meals for All Program.

State Spending and Tax Increases

Article X, Section 20, of the Colorado Constitution requires that the following fiscal information be provided when a tax increase question is on the ballot:

- estimates or actual amounts of state fiscal year spending for the current year and each of the past four years with the overall percentage and dollar change; and
- for the first full year of the proposed tax increase, estimates of the maximum dollar amount of the tax increase and of fiscal year spending without the increase.

“Fiscal year spending” is a legal term in the Colorado Constitution. It equals the amount of revenue subject to the constitutional spending limit that the state or a district is permitted to keep and either spend or save for a single year. Table 5 shows state fiscal year spending for the current year and each of the past four years.

Table 5
State Fiscal Year Spending

Fiscal Year	Actual FY 2021-22	Actual FY 2022-23	Actual FY 2023-24	Actual FY 2024-25	Estimated FY 2025-26
Fiscal Year Spending	$16.01 billion	$16.66 billion	$18.07 billion	$19.15 billion	$19.16 billion

Four-Year Dollar Change in State Spending: $3.15 billion
Four-Year Percent Change in State Spending: 19.7 percent

Table 6 shows the revenue expected from the income tax increase in Proposition MM for FY 2026-27, the first full fiscal year for which the tax increase would be in place, and an estimate of state fiscal year spending without the tax increase.

Table 6
Estimated State Fiscal Year Spending and the Proposed Tax Revenue Increase

	FY 2026-27 Estimate
Fiscal Year Spending Without the Tax Increase	$23.51 billion
Revenue Increase from Increased Income Taxes	$95.0 million