

Proposition ? : Add Tax Information Table to Petitions and Ballots

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

1 **Proposition ? proposes amending the Colorado statutes to:**

- 2 • require that a tax information table appear on the petition and ballot for any citizen-
3 initiated measure that changes the individual income tax rate.

4 **What Your Vote Means**

YES

5 A “yes” vote on
6 Proposition ? requires that

7 a tax information table be included on
8 petitions and ballots for any citizen-initiated
9 measure that changes the individual
10 income tax rate. The table must list the
11 average change in taxes owed for
12 taxpayers in specified income categories.

NO

A “no” vote on Proposition ?
keeps petitions and ballots in
their current format.

1 **Summary and Analysis for Proposition ?**

2 For any citizen-initiated measure that changes the state income tax rate,
3 Proposition ? requires a tax information table to be included on the ballot and on
4 the petitions circulated to voters. The table must list the average change in taxes
5 owed for taxpayers in eight specific income categories.

6 **What is a citizen initiative and what is currently included in ballot language?**

7 The Colorado Constitution and state law create a process for citizens to initiate
8 and adopt laws by popular vote. To place a measure on the statewide ballot,
9 proponents must collect a certain number of valid signatures from registered
10 voters across the state on a petition. Under current law, petitions include the
11 ballot language and a summary of the fiscal impact of the measure.

12 A number of additional requirements exist for citizen-initiated measures that
13 affect government revenue. For example, the constitution requires that the ballot
14 language for measures that increase taxes begin with the language, “Shall taxes
15 be increased...” and include an estimate of the revenue generated if the measure
16 passes. State law requires that ballot language for measures that decrease state
17 revenue include language listing the three largest areas of government programs
18 impacted by the revenue reduction, and the estimated decrease in tax revenue.

19 **How does Proposition ? change the ballot language for citizen-initiated**
20 **measures?**

21 For any measure that increases or decreases the income tax rate, Proposition ?
22 requires that a tax information table be included in the measure’s ballot
23 language. The ballot language, including the tax information table, must also
24 appear on the petitions that proponents use to collect signatures. If a measure
25 receives sufficient signatures and qualifies for the ballot, the tax information table
26 must appear on the printed ballot that appears before voters at an election. The
27 tax information table in the ballot language must show:

- 28 • eight specified taxpayer income categories, defined in Proposition ?;
- 29 • the current average income tax owed in each income category;
- 30 • the average income tax owed in each income category if the tax measure
31 were to pass; and
- 32 • the difference between average tax owed before and after the rate change.

33 An example of the proposed tax information table is shown as Table 1.

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Table 1
Tax Information Table Required under Proposition ?

Income Categories*	Current Average Income Tax Owed	Proposed Average Income Tax Owed	Proposed Change in Average Income Tax Owed If Passed + or -
\$25,000 or less			
\$25,001- \$50,000			
\$50,001-\$100,000			
\$100,001-\$200,000			
\$200,001-\$500,000			
\$500,001-\$1,000,000			
\$1,000,001-\$2,000,000			
\$2,000,001-\$5,000,000			

**Based on Federal Adjusted Gross Income reported to the federal Internal Revenue Service.*

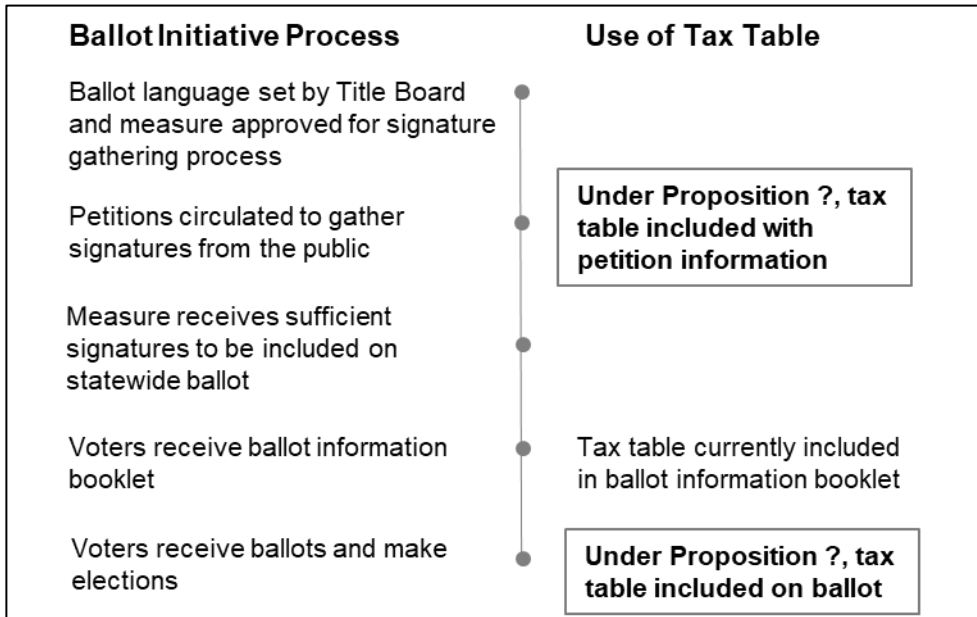
3 **What information is currently provided to voters about tax changes?**

4 Under current law, a tax information table identifying the average change in taxes
5 paid by taxpayers in different income categories must appear in this statewide
6 ballot information booklet for any measure that increases or decreases individual
7 income tax revenue, or state sales tax revenue. No table is currently included on
8 the ballot. The tax information table in the ballot information booklet, which
9 contains minor differences from the table called for in Proposition ?, is prepared
10 after the measure has qualified for the election.

11 You can see an example of this table in the analysis for Proposition ?, State
12 Income Tax Rate Reduction in this booklet. A comparison of when the tax
13 information table is required under current law compared with Proposition ? is
14 shown in Figure 1.

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Figure 1
Proposed Use of Tax Information Table Under Proposition ?



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In addition, state law requires that a brief fiscal summary be prepared for all citizen-initiated measures, which estimates tax revenue to the state, among other fiscal impacts. This fiscal summary must be included on the petitions proponents use to collect signatures. Once proponents begin collecting signatures, a more detailed fiscal analysis is prepared for the measure that is posted online. This fiscal analysis is updated as necessary and republished online before the election. An abstract of the most recent analysis for this measure is included in this ballot information booklet.

For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022, election, go to the Colorado Secretary of State’s elections center web site hyperlink for ballot and initiative information:

<http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

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Argument For Proposition ?

- 1) Proposition ? allows voters to easily see the impact of income tax rate changes on individuals of different income categories when signing a petition and casting a vote. Voters are presented the information at the moment that they are making their decision about a measure and will not need to seek out additional information to understand how the measure will affect the taxes owed by someone at or near their income level.

1 **Argument Against Proposition ?**

2 1) Proposition ? adds unnecessary complexity and costs to statewide
3 printed ballots, and is duplicative of information that is already provided to
4 voters in the ballot information booklet. The ballot will become even
5 longer, more expensive to produce, and more complicated than it is now,
6 especially in years when there are multiple tax measures.

7 **Fiscal Impact for Proposition ?**

8 **State spending.** The bill increases information technology costs in the
9 Secretary of State’s Office to modify the statewide election information system to
10 accommodate the tax information table on ballots.

11 The bill may also increase workload for the Secretary of State’s Office,
12 Department of Law, and the legislative department to incorporate the tax
13 information table into ballot titles.

14 **Local government spending.** The measure will increase costs for county clerks
15 to include a tax information table on the printed ballot. The format and size of a
16 tax table likely increases the length of ballots, and therefore the printing and
17 mailing cost for counties to provide ballots to voters.