



Colorado
Legislative
Council
Staff

Room 029 State Capitol, Denver, CO 80203-1784
(303) 866-3521 FAX: 866-3855 TDD: 866-3472

MEMORANDUM

August 26, 2011

TO: Executive Committee of the Legislative Council
FROM: Legislative Council Staff
SUBJECT: TABOR Fiscal Information for Proposition 103

Attachment A provides the fiscal information recommended for inclusion in the "Blue Book" to satisfy TABOR requirements for Proposition 103.

Proposition 103 asks voters whether the state can increase the state income tax rate and the state sales and use tax rate. Section 1-40-124.5 (1.5), C.R.S., requires the Executive Committee of the Legislative Council to provide the fiscal information that must be included in the "Blue Book" for matters arising under TABOR. With regard to Proposition 103, TABOR requires the following:

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

Attachment A

State Spending and Tax Increases

The state constitution requires that the following fiscal information be provided when a tax increase question is on the ballot:

- 1) the estimated or actual state spending under the constitutional spending limit for the current year and each of the past four years with the overall percentage and dollar change; and
- 2) for the first full year of the proposed tax increase, an estimate of the maximum dollar amount of the tax increase and of state fiscal year spending without the increase.

Table 4 shows the dollar amount of state spending under the constitutional spending limit.

Table 4. State Spending

	Actual FY 2007-08*	Actual FY 2008-09	Actual FY 2009-10	Estimated FY 2010-11	Estimated FY 2011-12
State Spending	\$9,999 million	\$9,102 million	\$8,567 million	\$9,482 million	\$9,962 million
Four-Year Dollar Change in State Spending: <i>-\$37 million</i>					
Four-Year Percent Change in State Spending: <i>-0.4%</i>					

*FY = fiscal year. The state's fiscal (or budget) year runs from July through June.

The numbers in Table 4 show state spending from 2008 through 2012 for programs that were subject to the constitutional spending limit during those years. However, the constitution allows a program that operates similar to a private business to be exempt from the limit if it meets certain conditions. Because the exempt status of some programs has changed during the last five years, the numbers in Table 4 are not directly comparable to each other.

Table 5 shows the revenue expected from the increased tax rates; state fiscal year spending without these taxes for FY 2012-13, the first full fiscal year for which the increase would be in place; and the sum of the two.

**Table 5. Estimated State Fiscal Year Spending
and the Proposed Tax Rate Increases**

	FY 2012-13 Estimate
State Spending Without New Taxes	\$10,576 million
New Sales Tax Increase	\$78 million
New Income Tax Increase	\$455 million
State Spending Plus the New Taxes	\$11,109 million