

Proposition 103
Temporary Tax Increase for Public Education

1 **Ballot Title:** SHALL STATE TAXES BE INCREASED \$536.1 MILLION ANNUALLY IN
2 THE FIRST FULL FISCAL YEAR AND BY SUCH AMOUNTS AS ARE RAISED ANNUALLY
3 THEREAFTER BY AMENDMENTS TO THE COLORADO REVISED STATUTES
4 CONCERNING A TEMPORARY INCREASE IN CERTAIN STATE TAXES FOR ADDITIONAL
5 PUBLIC EDUCATION FUNDING, AND, IN CONNECTION THEREWITH, INCREASING THE
6 RATE OF THE STATE INCOME TAX IMPOSED ON ALL TAXPAYERS FROM 4.63% TO 5%
7 FOR THE 2012 THROUGH 2016 INCOME TAX YEARS; INCREASING THE RATE OF THE
8 STATE SALES AND USE TAX FROM 2.9% TO 3% FOR A PERIOD OF FIVE YEARS
9 COMMENCING ON JANUARY 1, 2012; REQUIRING THAT THE ADDITIONAL REVENUES
10 RESULTING FROM THESE INCREASED TAX RATES BE SPENT ONLY TO FUND PUBLIC
11 EDUCATION FROM PRESCHOOL THROUGH TWELFTH GRADE AND PUBLIC
12 POSTSECONDARY EDUCATION; SPECIFYING THAT THE APPROPRIATION OF THE
13 ADDITIONAL TAX REVENUES BE IN ADDITION TO AND NOT SUBSTITUTED FOR
14 MONEYS OTHERWISE APPROPRIATED FOR PUBLIC EDUCATION FROM PRESCHOOL
15 THROUGH TWELFTH GRADE AND PUBLIC POSTSECONDARY EDUCATION FOR THE
16 2011-12 FISCAL YEAR; AND ALLOWING THE ADDITIONAL TAX REVENUES TO BE
17 COLLECTED, KEPT, AND SPENT NOTWITHSTANDING ANY LIMITATIONS PROVIDED BY
18 LAW?

19 **Text of Proposal:**

20 Be it Enacted by the People of the State of Colorado:

21 **SECTION 1.** Part 1 of article 77 of title 24, Colorado Revised Statutes,
22 is amended BY THE ADDITION OF A NEW SECTION to read:

23 **24-77-103.3. Voter approved revenue change - use of revenues.** THE
24 REVENUES RAISED BY THE INCREASE IN TAXES IMPOSED PURSUANT TO THIS
25 MEASURE, AS SPECIFIED IN SECTIONS 39-22-104 (1.9), 39-22-301 (1)(d)(I)(J),
26 39-26-106 (1)(c), AND 39-26-202 (2.5), C.R.S., SHALL CONSTITUTE A
27 VOTER-APPROVED REVENUE CHANGE AND MAY BE COLLECTED, KEPT, AND SPENT
28 NOTWITHSTANDING ANY OTHER LIMITS IN THE STATE CONSTITUTION OR OTHER
29 LAW. ALL REVENUES RAISED BY THE INCREASE IN TAXES IMPOSED PURSUANT TO
30 THIS MEASURE, AS SPECIFIED IN SECTIONS 39-22-104 (1.9), 39-22-301 (1)(d)(I)(J),
31 39-26-106 (1)(c), AND 39-26-202 (2.5), C.R.S., SHALL BE APPROPRIATED BY THE
32 GENERAL ASSEMBLY ONLY FOR THE COSTS OF PUBLIC EDUCATION FROM
33 PRESCHOOL THROUGH TWELFTH GRADE AND PUBLIC POSTSECONDARY EDUCATION

1 AND SHALL BE IN ADDITION TO AND NOT A SUBSTITUTE FOR MONEYS OTHERWISE
2 APPROPRIATED BY THE GENERAL ASSEMBLY FOR THE COSTS OF PUBLIC EDUCATION
3 FROM PRESCHOOL THROUGH TWELFTH GRADE AND PUBLIC POSTSECONDARY
4 EDUCATION THE AMOUNT OF WHICH APPROPRIATION SHALL BE NOT LESS THAN THE
5 AMOUNT APPROPRIATED FOR SUCH PURPOSES FOR FISCAL YEAR 2011-12.

6 **SECTION 2.** 39-22-104 (2), Colorado Revised Statutes, is amended, and
7 the said 39-22-104 is further amended BY THE ADDITION OF A NEW
8 SUBSECTION, to read:

9 **39-22-104. Income tax imposed on individuals, estates, and trusts -**
10 **single rate - definitions - repeal.** (1.9) SUBJECT TO SUBSECTION (2) OF THIS
11 SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER
12 JANUARY 1, 2012, BUT PRIOR TO JANUARY 1, 2017, A TAX OF FIVE PERCENT IS
13 IMPOSED ON THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO
14 SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND
15 TRUST.

16 (2) Prior to the application of the rate of tax prescribed in subsection (1),
17 (1.5), ~~or~~ (1.7), OR (1.9) of this section, the federal taxable income shall be
18 modified as provided in subsections (3) and (4) of this section.

19 **SECTION 3.** 39-22-301 (1)(d)(I)(I), Colorado Revised Statutes, is
20 amended, and the said 39-22-301 (1)(d)(I) is further amended BY THE
21 ADDITION OF A NEW SUB-SUBPARAGRAPH, to read:

22 **39-22-301. Corporate Tax Imposed.** (1)(d)(I) A tax is imposed upon
23 each domestic C corporation and foreign C corporation doing business in
24 Colorado annually in an amount of the net income of such C corporation during
25 the year derived from sources within Colorado as set forth in the following
26 schedule of rates:

27 (I) Except as otherwise provided in section 39-22-627, for income tax
28 years commencing on or after January 1, 2000, BUT PRIOR TO JANUARY 1, 2012,
29 AND COMMENCING ON OR AFTER JANUARY 1, 2017, four and sixty-three one
30 hundredths percent of the Colorado net income.

31 (J) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2012,
32 BUT PRIOR TO JANUARY 1, 2017, FIVE PERCENT OF THE COLORADO NET INCOME.

1 **SECTION 4.** 39-26-106 (1), Colorado Revised Statutes, is amended BY
2 THE ADDITION OF A NEW PARAGRAPH to read:

3 **39-26-106. Schedule of Sales Tax.** (1)(c) NOTWITHSTANDING THE TWO
4 AND NINETY ONE-HUNDREDTHS PERCENT RATE PROVISIONS OF SUBPARAGRAPH (II)
5 OF PARAGRAPH (a) OF THIS SUBSECTION (1), FOR THE PERIOD JANUARY 1, 2012,
6 THROUGH DECEMBER 31, 2016, THE RATE OF THE TAX IMPOSED PURSUANT TO THIS
7 SUBSECTION (1) SHALL BE THREE PERCENT.

8 **SECTION 5.** 39-26-202, Colorado Revised Statutes, is amended BY
9 THE ADDITION OF A NEW SUBSECTION to read:

10 **39-26-202. Authorization of tax.** (2.5) NOTWITHSTANDING THE TWO AND
11 NINETY ONE-HUNDREDTHS PERCENT RATE PROVISIONS OF PARAGRAPH (b) OF
12 SUBSECTION (1) OF THIS SECTION, FOR THE PERIOD JANUARY 1, 2012, THROUGH
13 DECEMBER 31, 2016, THE RATE OF THE TAX IMPOSED PURSUANT TO THIS SECTION
14 SHALL BE THREE PERCENT.

15 **SECTION 6. Effective date.** This act shall take effect January 1, 2012.