

INCREASE STATE TAXES

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

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

24-77-103.3. VOTER APPROVED REVENUE CHANGE-USE OF REVENUES. THE REVENUES RAISED BY THE INCREASE IN TAXES IMPOSED PURSUANT TO THIS ACT SHALL CONSTITUTE A VOTER APPROVED REVENUE CHANGE AND MAY BE COLLECTED, KEPT AND SPENT NOTWITHSTANDING ANY OTHER LIMITS IN THE CONSTITUTION OR OTHER LAW. ALL REVENUES RAISED BY THE INCREASE IN TAXES IMPOSED PURSUANT TO THIS ACT SHALL BE SPENT ONLY FOR PAYING THE COSTS OF EDUCATION, INCLUDING HIGHER EDUCATION. THE PEOPLE INTEND THAT THE ALLOCATION OF FUNDS REQUIRED BY THIS SECTION BE IN ADDITION TO AND NOT A SUBSTITUTE FOR FUNDS OTHERWISE APPROPRIATED BY THE GENERAL ASSEMBLY ONLY FOR PAYING THE COSTS OF EDUCATION, INCLUDING HIGHER EDUCATION.

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

39-22-104. Income tax imposed on individuals, estates, and trusts definitions – repeal. (1.9) SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2012 BUT PRIOR TO JANUARY 1, 2015, A TAX OF FIVE PERCENT IS IMPOSED ON THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST

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

SECTION 3. 39-22-301(1)(d)(I) is amended BY THE ADDITION OF A NEW SUB-PARAGRAPH, to read:

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

(J) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2012 BUT PRIOR TO JANUARY 1, 2015, FIVE PERCENT OF THE COLORADO NET INCOME.

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

39-26-106. Schedule of Sales Tax. (1)(C) NOTWITHSTANDING THE TWO AND NINETY ONE-HUNDREDTHS PERCENT RATE PROVISIONS OF PARAGRAPH (A) OF THIS SUBSECTION (1), FOR THE PERIOD JANUARY 1, 2012, THROUGH DECEMBER 31, 2014, THE RATE OF THE TAX IMPOSED PURSUANT TO THIS SUBSECTION (1) SHALL BE THREE PERCENT.

SECTION 5. 39-26-202(1)(a), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION, to read:

39-26-202. Authorization of tax.

(2.5) NOTWITHSTANDING THE TWO AND NINETY ONE-HUNDREDTHS PERCENT RATE PROVISIONS OF SUBSECTION (1) OF THIS SECTION, FOR THE PERIOD JANUARY 1, 2012, THROUGH DECEMBER 31, 2014, THE RATE OF THE TAX IMPOSED PURSUANT TO THIS SECTION SHALL BE THREE PERCENT.

SECTION 6. This act shall take effect January 1, 2012.

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