Proposition 103
Temporary Tax Increase for Public Education

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

Text of Proposal:

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
MEASURE, AS SPECIFIED IN SECTIONS 39-22-104 (1.9), 39-22-301 (1)(d)(I)(J),
39-26-106 (1)(c), AND 39-26-202 (2.5), C.R.S., SHALL CONSTITUTE A
VOTER-APPROVED REVENUE CHANGE AND MAY BE COLLECTED, KEPT, AND SPENT
NOTWITHSTANDING ANY OTHER LIMITS IN THE STATE CONSTITUTION OR OTHER
LAW. ALL REVENUES RAISED BY THE INCREASE IN TAXES IMPOSED PURSUANT TO
THIS MEASURE, AS SPECIFIED IN SECTIONS 39-22-104 (1.9), 39-22-301 (1)(d)(I)(J),
39-26-106 (1)(c), AND 39-26-202 (2.5), C.R.S., SHALL BE APPROPRIATED BY THE
GENERAL ASSEMBLY ONLY FOR THE COSTS OF PUBLIC EDUCATION FROM
PRESCHOOL THROUGH TWELFTH GRADE AND PUBLIC POSTSECONDARY EDUCATION
AND SHALL BE IN ADDITION TO AND NOT A SUBSTITUTE FOR MONEYS OTHERWISE
APPROPRIATED BY THE GENERAL ASSEMBLY FOR THE COSTS OF PUBLIC EDUCATION
FROM PRESCHOOL THROUGH TWELFTH GRADE AND PUBLIC POSTSECONDARY
EDUCATION THE AMOUNT OF WHICH APPROPRIATION SHALL BE NOT LESS THAN THE
AMOUNT APPROPRIATED FOR SUCH PURPOSES FOR FISCAL YEAR 2011-12.

SECTION 2. 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 -
single rate - 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, 2017, 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)(I), Colorado Revised Statutes, is
amended, and the said 39-22-301 (1)(d)(I) is further amended BY THE
ADDITION OF A NEW SUB-SUBPARAGRAPH, 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:

(I) Except as otherwise provided in section 39-22-627, for income tax
years commencing on or after January 1, 2000, but prior to January 1, 2012,
and commencing on or after January 1, 2017, four and sixty-three one
hundredths percent of the Colorado net income.

(J) For income tax years commencing on or after January 1, 2012,
but prior to January 1, 2017, five percent of the Colorado net income.
SECTION 4. 39-26-106 (1), Colorado Revised Statutes, is amended BY
THE ADDITION OF A NEW PARAGRAPH to read:

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

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

NINETY ONE-HUNDREDTHS PERCENT RATE PROVISIONS OF PARAGRAPH (b) OF
SUBSECTION (1) OF THIS SECTION, FOR THE PERIOD JANUARY 1, 2012, THROUGH
DECEMBER 31, 2016, THE RATE OF THE TAX IMPOSED PURSUANT TO THIS SECTION
SHALL BE THREE PERCENT.

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