

Amendment 66
Funding for Public Schools

Ballot Title: SHALL STATE TAXES BE INCREASED BY \$950,100,000 ANNUALLY IN THE FIRST FULL FISCAL YEAR AND BY SUCH AMOUNTS AS ARE RAISED THEREAFTER BY AMENDMENTS TO THE COLORADO CONSTITUTION AND THE COLORADO REVISED STATUTES CONCERNING FUNDING FOR PRESCHOOL THROUGH TWELFTH-GRADE PUBLIC EDUCATION, AND, IN CONNECTION THEREWITH, INCREASING THE CURRENT STATE INCOME TAX RATE ON INDIVIDUALS, ESTATES, AND TRUSTS AND IMPOSING AN ADDITIONAL RATE SO HIGHER AMOUNTS OF INCOME ARE TAXED AT HIGHER RATES; REQUIRING THE RESULTING INCREASES IN TAX REVENUES BE SPENT ONLY FOR IMPROVEMENTS TO PRESCHOOL THROUGH TWELFTH-GRADE PUBLIC EDUCATION; ALLOWING ALL TAX REVENUES ATTRIBUTABLE TO THIS MEASURE TO BE COLLECTED AND SPENT WITHOUT FUTURE VOTER APPROVAL; REQUIRING AT LEAST 43% OF STATE SALES, EXCISE, AND INCOME TAX REVENUES BE DEPOSITED IN THE STATE EDUCATION FUND; AND REPEALING CERTAIN EXISTING PUBLIC EDUCATION FUNDING REQUIREMENTS?

Text of Measure:

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

SECTION 1. In the constitution of the state of Colorado, section 17 of article IX, **amend** (1), (2), and (4) and **add** (6), (7), and (8) as follows:

Section 17. Education – funding.

(1) Purpose. In state fiscal year 2001-2002 through state fiscal year 2010-2011, the statewide base per pupil funding, as defined by the Public School Finance Act of 1994, article 54 of title 22, Colorado Revised Statutes, on the effective date of this section, for public education from preschool through the twelfth grade and total state funding for all categorical programs shall grow annually at least by the rate of inflation plus an additional one percentage point. ~~In state fiscal year 2011-2012, and each fiscal year thereafter,~~ FOR STATE FISCAL YEARS 2011-2012 THROUGH 2013-2014, the statewide base per pupil funding for public education from preschool through the twelfth grade and total state funding for all categorical programs shall grow annually at a rate set by the general assembly that is at least equal to the rate of inflation.

(2) Definitions. (c) "INCOME TAX INCREMENT FOR PUBLIC SCHOOL FUNDING" MEANS THE INCOME TAX CHANGES APPROVED BY THE VOTERS AT THE

1 2013 GENERAL ELECTION FOR PRESCHOOL AND PUBLIC SCHOOL KINDERGARTEN
2 THROUGH TWELFTH GRADE FUNDING.

3 **(4) State education fund created.** (a) There is hereby created in the
4 department of the treasury the state education fund. Beginning on the effective
5 date of this measure, AND THROUGH JUNE 30, 2014, all state revenues collected
6 from a tax of one third of one percent on federal taxable income, as modified by
7 law, of every individual, estate, trust and corporation, as defined in law, shall be
8 deposited in the state education fund. Revenues generated from a tax of one
9 third of one percent on federal taxable income, as modified by law, of every
10 individual, estate, trust and corporation, as defined in law, shall not be subject to
11 the limitation on fiscal year spending set forth in article X, section 20 of the
12 Colorado constitution. BEGINNING IN STATE FISCAL YEAR 2014-2015, THE STATE
13 EDUCATION FUND SHALL, AT A MINIMUM, RECEIVE FORTY-THREE PERCENT OF
14 SALES, EXCISE, AND INCOME TAX REVENUE COLLECTED IN THE GENERAL FUND IN
15 A MANNER AS TO EQUAL SUCH PERCENTAGE IN RELATION TO THE REVENUE
16 GENERATED BY THE TAX RATES IN EFFECT ON DECEMBER 31, 2012 NET OF ANY
17 REFUNDS REQUIRED BY SECTION 20, SUBSECTIONS (3)(c) AND (7) OF ARTICLE X
18 OF THIS CONSTITUTION. All interest earned on monies in the state education fund
19 shall be deposited in the state education fund and shall be used before any
20 principal is depleted. Monies remaining in the state education fund at the end of
21 any fiscal year shall remain in the fund and not revert to the general fund.

22 **(6) STATE EDUCATIONAL ACHIEVEMENT FUND.**

23 (a) THE STATE EDUCATIONAL ACHIEVEMENT FUND IS CREATED IN THE
24 STATE TREASURY.

25 (b) THE DEPARTMENT OF REVENUE OR ITS SUCCESSOR AGENCY SHALL
26 ANNUALLY DETERMINE THE AMOUNT OF THE INCOME TAX INCREMENT FOR PUBLIC
27 SCHOOL FUNDING. SUCH AMOUNTS SHALL BE DEPOSITED IN THE STATE
28 EDUCATIONAL ACHIEVEMENT FUND.

29 (c) THE STATE EDUCATIONAL ACHIEVEMENT FUND SHALL BE
30 APPROPRIATED TO BENEFIT THE EDUCATION OF PARTICIPANTS IN PRESCHOOL
31 PROGRAMS AND PUBLIC SCHOOL KINDERGARTEN THROUGH TWELFTH GRADE
32 STUDENTS BY IMPLEMENTING EDUCATIONAL REFORMS AND PROGRAMMATIC
33 ENHANCEMENTS, ENACTED BY THE COLORADO GENERAL ASSEMBLY.

34 (d) THE STATE EDUCATIONAL ACHIEVEMENT FUND SHALL BE AUDITED
35 ANNUALLY BY THE STATE AUDITOR TO ENSURE COMPLIANCE WITH THIS ARTICLE.
36 THE RESULTS OF SUCH AUDIT SHALL BE A PUBLIC DOCUMENT THAT IS
37 TRANSMITTED TO THE GOVERNOR, THE PRESIDENT AND MINORITY LEADER OF THE
38 SENATE, AND THE SPEAKER AND THE MINORITY LEADER OF THE HOUSE OF

1 REPRESENTATIVES. SUCH AUDIT SHALL BE CONSPICUOUSLY PLACED ON THE
2 WEBSITES OF THE STATE AUDITOR AND THE COLORADO DEPARTMENT OF
3 EDUCATION OR THEIR SUCCESSOR AGENCIES.

4 (e) ALL INTEREST EARNED ON MONIES IN THE STATE EDUCATIONAL
5 ACHIEVEMENT FUND SHALL BE DEPOSITED IN THE STATE EDUCATIONAL
6 ACHIEVEMENT FUND AND SHALL BE USED BEFORE ANY PRINCIPAL IS DEPLETED.
7 MONIES REMAINING IN THE STATE EDUCATIONAL ACHIEVEMENT FUND AT THE END
8 OF ANY FISCAL YEAR SHALL REMAIN IN THE FUND AND NOT REVERT OR BE
9 TRANSFERRED TO THE GENERAL OR ANY OTHER FUND.

10 (7) **NEW REVENUE TO SUPPLEMENT PREVIOUS YEAR EDUCATION**
11 **FUNDING.** REVENUES COLLECTED FROM THE INCOME TAX INCREMENT FOR PUBLIC
12 SCHOOL FUNDING SHALL BE USED TO SUPPLEMENT REVENUES THAT WERE
13 APPROPRIATED BY THE GENERAL ASSEMBLY IN THE PREVIOUS FISCAL YEAR FOR
14 KINDERGARTEN THROUGH TWELFTH GRADE AND PRESCHOOL EDUCATION AND
15 SHALL NOT BE USED TO SUPPLANT ANY PORTION OF THOSE PREVIOUSLY
16 APPROPRIATED REVENUES.

17 (8) **REVENUE AND SPENDING LIMITATIONS.** ALL REVENUES
18 ATTRIBUTABLE TO THE INCOME TAX INCREMENT FOR PUBLIC SCHOOL FUNDING OR
19 OTHERWISE ADDRESSED BY SUBSECTION (6) SHALL BE COLLECTED AND SPENT AS
20 VOTER-APPROVED REVENUE CHANGES WITHOUT REGARD TO ANY LIMITATION ON
21 REVENUE, SPENDING, OR APPROPRIATIONS, CONTAINED IN SECTION 20 OF ARTICLE
22 X OF THIS CONSTITUTION OR ANY OTHER LAW. SPENDING OF SUCH REVENUE,
23 CONSISTENT WITH THE EXPRESSED INTENTION OF THE VOTERS AT THE 2013
24 ELECTION, SHALL REQUIRE NO ADDITIONAL VOTER APPROVAL AT ANY STATE OR
25 LOCAL ELECTION.

26 **SECTION 2.** In the constitution of the state of Colorado, section 20 of
27 article X, **amend** (8):

28 (8) **Revenue limits.** (a) New or increased transfer tax rates on real
29 property are prohibited. No new state real property tax or local district income
30 tax shall be imposed. Neither an income tax rate increase nor a new state
31 definition of taxable income shall apply before the next tax year. Any income tax
32 law change after July 1, 1992 shall also require all taxable net income to be taxed
33 at one rate, excluding refund tax credits or voter-approved tax credits, with no
34 added tax or surcharge; EXCEPT THAT MULTIPLE RATES SHALL APPLY TO TAXABLE
35 NET INCOME OF INDIVIDUALS, TRUSTS, AND ESTATES, IF SPECIFIC RATE INCREASES
36 IN EXCESS OF THE TAX RATE IN EFFECT ON THE DAY OF AN ELECTION ARE

1 APPROVED BY VOTERS FOR THE PURPOSE OF PROVIDING AN INCOME TAX
2 INCREMENT FOR PUBLIC SCHOOL FUNDING.

3 **SECTION 3.** In Colorado Revised Statutes, 39-22-104, **amend** (1.7) as
4 follows:

5 **39-22-104. Income tax imposed on individuals, estates, and trusts –**
6 **single rate – definitions – repeal.** (1.7) Except as otherwise provided in section
7 39-22-627, subject to subsection (2) of this section, with respect to taxable years
8 commencing on or after January 1, 2000, a tax of four and sixty-three one
9 hundredths percent is imposed on the federal taxable income, as determined
10 pursuant to section 63 of the internal revenue code, of every individual, estate,
11 and trust. IN ADDITION TO THE TAX RATE AUTHORIZED IN THIS SUBSECTION ON
12 FEDERAL TAXABLE INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS, AN INCOME
13 TAX INCREMENT FOR PUBLIC SCHOOL FUNDING SHALL BE IMPOSED ON THE
14 FEDERAL TAXABLE INCOME OF SUCH TAXPAYERS:

15 (a) UP TO AND INCLUDING \$75,000, AT THE RATE OF THIRTY-SEVEN ONE
16 HUNDREDTHS PERCENT; AND

17 (b) OVER \$75,000, AT THE RATE OF ONE AND TWENTY-SEVEN ONE
18 HUNDREDTHS PERCENT.

19 THE GENERAL ASSEMBLY MAY ANNUALLY ADJUST THE INCOME THRESHOLDS FOR
20 THE INCOME TAX INCREMENT FOR PUBLIC SCHOOL FUNDING FOR INFLATION FROM
21 THE PREVIOUS YEAR.

22 **SECTION 4. EFFECTIVE DATE.** THESE VOTER-ENACTED PROVISIONS
23 SHALL TAKE EFFECT ON JANUARY 1, 2014.