

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

THE CONSTITUTION OF THE STATE OF COLORADO IS AMENDED BY THE ADDITION OF A NEW ARTICLE XXIX TO READ:

**SECTION 1. HOME ENERGY ADJUSTMENT TAX-REBATE (H.E.A.T.).**

(1) EXCESS TAXPAYER SURPLUS SHALL BE DEFINED AS ALL REVENUES RETAINED BY THE STATE OF COLORADO PURSUANT TO VOTER APPROVAL OF REFERENDUM C IN EXCESS OF THE AMOUNTS THAT WERE ESTIMATED AS BEING RETAINED UNDER REFERENDUM C IN THE BALLOT INFORMATION BOOKLET PREPARED BY THE STAFF OF LEGISLATIVE COUNCIL OF THE GENERAL ASSEMBLY FOR THE NOVEMBER 2005 STATEWIDE ELECTION FOR FISCAL YEARS 2005-06 THROUGH 2009-10, WHICH ARE THOSE DOLLARS IN EXCESS OF:

- (A) 570 MILLION DOLLARS FOR FY 2005-06,
- (B) 646 MILLION DOLLARS FOR FY 2006-07
- (C) 703 MILLION DOLLARS FOR FY 2007-08
- (D) 820 MILLION DOLLARS FOR FY 2008-09
- (E) 995 MILLION DOLLARS FOR FY 2009-10.

(2) ALL EXCESS TAXPAYER SURPLUS SHALL BE REFUNDED TO COLORADO TAXPAYERS ANNUALLY TO OFFSET HIGH HOME ENERGY COSTS.

(3) EACH YEAR THE TOTAL EXCESS TAXPAYER SURPLUS AMOUNT SHALL BE DIVIDED BY THE TOTAL NUMBER OF EXEMPTIONS CLAIMED ON ALL FULL-YEAR RESIDENTIAL COLORADO INDIVIDUAL TAX RETURNS FILED IN THAT SAME YEAR AS REPRESENTED ON FEDERAL TAX RETURNS. THE EXCESS TAXPAYER SURPLUS AMOUNT SHALL BE SUMMED FOR EACH HOUSEHOLD BASED ON THE NUMBER OF EXEMPTIONS PER HOUSEHOLD AND SHALL BE DISTRIBUTED TO EACH HEAD OF HOUSEHOLD VIA CHECK MAILED TO THE HEAD OF HOUSEHOLD DURING THE FIRST TWO WEEKS OF THAT OCTOBER. EACH CHECK SHALL CLEARLY STATE "THIS IS YOUR HOUSEHOLD'S HOME ENERGY ADJUSTMENT TAX-REBATE (H.E.A.T.) BASED UPON LAST YEAR'S COLORADO EXCESS TAX REVENUE."

(4) WHEN THE SINGLE EXEMPTION REFUND AMOUNT CALCULATES TO BE LESS THAN FIVE DOLLARS, REFUNDS SHALL NOT BE DISTRIBUTED DURING THAT YEAR, AND INSTEAD SHALL BE HELD AND ACCRUED UNTIL THE SINGLE EXEMPTION REFUND AMOUNT GROWS TO OVER FIVE DOLLARS.

(5) EXCESS TAXPAYER SURPLUS TAXES SHALL BE HELD IN A SEPARATE FUND NAMED "THE EXCESS TAXPAYER SURPLUS FUND". EXCESS

TAXPAYER SURPLUS REVENUES ARE TO BE DEPOSITED IN THE FUND PRIOR TO JUNE 1 OF EACH YEAR. ALL INTEREST, DIVIDENDS AND RETURNS GENERATED BY THE FUND SHALL ACCRUE TO THE FUND TO BE REFUNDED.

(6) THIS ARTICLE SHALL TAKE EFFECT DECEMBER 31, 2006. EXCESS REVENUES ACCUMULATED DURING A FISCAL YEAR, STARTING IN FY 2005-06, SHALL BE REFUNDED TO COLORADO TAXPAYERS IN THE SUBSEQUENT OCTOBER.