



November 5, 2019 Coordinated Election	
Ballot Issue:	STATE LEGISLATURE INITIATED BALLOT ISSUE: Proposition CC
Proposed Ballot Question	<p>WITHOUT RAISING TAXES AND TO BETTER FUND PUBLIC SCHOOLS, HIGHER EDUCATION, AND ROADS, BRIDGES, AND TRANSIT, WITHIN A BALANCED BUDGET, MAY THE STATE KEEP AND SPEND ALL THE REVENUE IT ANNUALLY COLLECTS AFTER JUNE 30, 2019, BUT IS NOT CURRENTLY ALLOWED TO KEEP AND SPEND UNDER COLORADO LAW, WITH AN ANNUAL INDEPENDENT AUDIT TO SHOW HOW THE RETAINED REVENUES ARE SPENT?</p> <p><i>(Referred by Legislature during 2019 Session)</i></p>
Some Basics	<ul style="list-style-type: none"> • This measure would allow the state to retain excess revenue it is currently required to refund under the Taxpayer's Bill of Rights (TABOR). In other words, it would "de-Bruce" the state. • Retained funds would be used for education and transportation purposes. • The measure would require the state auditor to hire a private entity to conduct an annual financial audit regarding use of funds as provided under the measure. • The proposition would not increase the sales or income tax rate, but would increase a person's tax liability over time.
Chamber Position	The Fort Collins Area Chamber of Commerce is neutral on the issue.

<p>Other Considerations</p>	<ul style="list-style-type: none"> • Advocates claim the state desperately needs the money. And, though Prop CC is only statutory and not a constitutional change, they pledge the money will be used for the purposes listed. • Thoughts from Yes on CC: <ul style="list-style-type: none"> ○ By voting yes on Prop CC we can fill potholes and fix our roads and bridges, improve our schools by hiring and retaining the best teachers, and improve our economy with investments that help all Coloradans. And we can do it without raising the tax rate. ○ Prop CC also includes unprecedented transparency, requiring annual, independent audits to show the public how the money was spent. • Opponents say that claim is bogus. There’s plenty of money, but the priorities are wrong. Over the past 10 years the state budget grew by 55 percent (from \$19.9 billion to \$30.9 billion), far outpacing the 15 percent population growth and inflation rate of 23 percent. • Thoughts from No on CC: <ul style="list-style-type: none"> ○ Despite the state budget growing by over \$1B each and every year, the legislature still refuses to prioritize infrastructure. Giving more money to state government, without any reforms, is a bad deal for taxpayers. ○ Since TABOR passed (1991), our budget has grown 306%. State government has enough money, they just need to prioritize better. Currently, refund money is first used to help localities cover the senior and veterans’ property tax exemptions. Proposition CC would take that refund money away – putting seniors and veterans at risk – and putting more pressure on local budgets • The issue lacks partisan support – <ul style="list-style-type: none"> ○ it was put on the ballot by one political party without support of the other party; ○ permanent instead of time-limited unlike Ref C in 2005; ○ it’s statutory meaning that the intended uses for the retained monies can be changed immediately or by a future legislature; • The impact of this issue on business is debatable. Some will argue that well-funded state government is important to provide services important to business and for a strong economy. A counter perspective is the bigger the government the higher the direct and regulatory costs on business. In short, there is no clear, compelling, unquestionable argument that business will benefit from the passage of Prop CC.
<p>Other Resources</p>	<p>https://yesonpropcc.com/ https://votenooc.com/ https://ballotpedia.org/Colorado_Proposition_CC,_Retain_Revenue_for_Transportation_and_Education_TABOR_Measure_(2019)</p>

<p>Where We Stand Positions</p>	<p>FEES AND TAXATION</p> <p>BASIC PHILOSOPHY:</p> <p>Taxes are part of the obligation we all have to pay for services we collectively use and need as citizens. To that end, business is willing to pay a reasonable level of taxes and fees for essential public services assuming they are fair and reasonable and do not discourage business investment in Fort Collins. In short, tax policy should promote a healthy business and economic climate that encourages investment in capital equipment and human capital.</p> <p>CHARACTERISTICS OF A ‘GOOD TAX’:</p> <p>The Tax Foundation has identified a number of characteristics of what it considers a ‘good tax.’ Among them are:</p> <ul style="list-style-type: none"> • Transparency. A good tax system requires informed taxpayers who understand how taxes are assessed, collected and utilized. It should be clear to taxpayers who and what is being taxed, and how tax burdens affect them and the economy. Tax legislation should be based on careful economic analysis, and legislative procedures should include open hearings with ample opportunity for public comment. • Neutrality. The fundamental purpose of taxes is to raise necessary revenue for programs, not to micromanage a complex market economy with subsidies and penalties. The tax system’s central aim should be to collect that money while interfering as little as possible with the decisions of free people in the marketplace. • Simplicity. The tax system should be as simple as possible. The cost of tax compliance is a real cost to society, and complex taxes create perverse incentives to shelter and disguise legitimately earned income. • Stability. Tax law should not change continuously. A rapidly changing tax system frustrates long-term planning and increases uncertainty in the economy. • No Retroactivity. Changes in tax law should not be retroactive. As a matter of fairness, taxpayers should rely with confidence on the law as it exists when contracts are signed and transactions are made. • Low Rates, Broad Bases. It makes a difference how large a share of income is taken by government in taxes. The private sector is the source of all wealth and improvements in the standard of living. Taxes should consume as small a portion of income as possible and should be broadly based so that tax rates can be moderate at all points. • Don’t Inhibit Trade. In the case of a local community, this could mean: doesn’t inhibit retail trade, doesn’t incent businesses or people to live in another nearby community while using our roads and services.
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