



November 8, 2022 General Election

Ballot Issue:	Proposition GG (Include Income Tax Effects in Initiative Ballot Language Measure)
Ballot Question	<p><i>“Shall there be a change to the Colorado Revised Statutes requiring that the ballot title and fiscal summary for any ballot initiative that increases or decreases state income tax rates include a table showing the average tax change for tax filers in different income categories?”</i></p> <p>Full text of the Proposition can be found here.</p>
Timeline	<p>The bill was introduced as Senate Bill 222. It was approved in the Senate on May 2, 2022, by a vote of 20-15. On May 11, 2022, the House approved the measure by a vote of 40-22. The bill passed largely along partisan lines with all voting Democrats in favor and 95% of Republicans opposed.</p> <p>Senate Bill 222 sponsors decided to refer it to the voters so that it would not require Gov. Jared Polis' (D) signature. State Rep. Chris Kennedy (D) said, “There are a number of components (last year) where we reached agreement with the governor. But he expressed some concern about the idea of printing a table where it breaks down the value of the tax benefit or the tax increase to different income brackets ... on the ballot itself. So, this year, what we’ve introduced is a bill that’s going to refer this question to the voters so that the governor doesn’t have to weigh in on it.” A spokesperson for Governor Polis said he believes that "voters should decide how issues are presented on the people’s ballot because it is their ballot, not the state legislature’s ballot."</p> <p>A simple majority vote is required in both the Colorado State Senate and the Colorado House of Representatives to refer a legislatively referred state statute to the ballot. A bill that is referred to the voters does not require the governor's signature and cannot be vetoed.</p>
Chamber Position	No Position
Some Basics	<p>This measure would require ballot titles and fiscal impact summaries for initiatives that increase or decrease the individual income tax rate to include a table showing the potential tax changes for those in different income categories under the proposed initiative. Changes would be expressed by a dollar amount and a plus sign (+) if taxes owed would be increased or a negative sign (-) if the taxes owed would be decreased.</p> <p>The Colorado Title Board provides ballot titles (the question that appears on the ballot) for ballot initiatives in Colorado. The Director of Research of the Legislative Council, a nonpartisan service for the Colorado State Legislature, prepares fiscal summaries for ballot initiatives when the initiative is heard by the title board. Once an initiative has been approved for signature gathering, a full fiscal impact statement is prepared, which</p>

	<p>must be displayed on each section of the petition form during signature gathering. Additionally, the Legislative Council Staff prepares fiscal impact statements for <i>all</i> statewide ballot measures, which are published on the Legislative Council Staff website and summarized in the Colorado Blue Book, the state's voter guide.</p> <p>Currently, measures increasing or decreasing the income tax rate or the sales tax rate to include a table showing the average tax change for taxpayers in 12 specified income categories. As of 2022, fiscal impact statements included the following information:</p> <ul style="list-style-type: none"> • an estimate of the effect the proposed measure would have on state and local government revenues, expenditures, taxes, and fiscal liabilities; • an estimate of state and local government expenditures or liabilities; and • an estimate of the impact to the average taxpayer for measures that change state tax laws. <p>Currently, ballot titles for Colorado initiatives do not include a table showing potential tax changes, however, ballot measures that would increase taxes requiring voter approval under the Colorado Taxpayer's Bill of Rights (TABOR) require ballot titles to be printed in capital letters beginning with, "<i>SHALL (DISTRICT) TAXES BE INCREASED (first, or if phased in, final, full fiscal year dollar increase) ANNUALLY...?</i>"</p>
<p>Arguments in support of the proposal</p>	<ul style="list-style-type: none"> • Requiring the illustration of tax implications allows voters the opportunity see how their decision impacts the taxes they will pay. This will greatly improve transparency while educating the public as to trade-offs they must accept for a given decision.
<p>Arguments against the proposal</p>	<ul style="list-style-type: none"> • The Proposition will further increase the length and complexity of the ballot. A Blue Book, which contains much of the same detail, is provided to voters in advance of elections.
<p>Where We Stand (NCLA)</p>	<p>Taxes are part of the obligation we all must pay for services we collectively use and need as citizens. Tax policy of the State of Colorado should promote a healthy business and economic climate. In particular, tax policy should promote investment in physical, economic and human capital. As a vibrant business environment depends upon adequate public infrastructure and oversight systems, the business community is willing to participate in the funding of the public sector provided fees, taxes and other exactions are transparent, appropriate to the level of service delivered and equitable across all sectors of our economy.</p> <p><u>Characteristics of a 'Good Tax'</u></p> <ul style="list-style-type: none"> • Make taxes transparent and visible. Taxpayers should know the tax exists, why the tax is levied, who is responsible for paying the tax and how it is calculated. When taxes are visible, citizens are permitted to make informed judgements about the relationship between their tax burden and expectations of the level of government services provided to them. This principle is of particular concern to business as the implementation of tax policy most heavily falls on customers through higher prices and lower wages. <ul style="list-style-type: none"> ○ Educate the public on all linkages between each tax and how the funds are spent.