

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

SECTION 1. In the constitution of the state of Colorado, section 20 of article X, **amend** (8)(a) as follows:

(8) Revenue limits. (a) New or increased transfer tax rates on real property are prohibited. No new state real property tax or local district income tax shall be imposed. Neither an income tax rate increase nor a new state definition of taxable income shall apply before the next tax year. Any income tax law change after July 1, 1992 shall also require ~~all taxable net income to be taxed at one rate, excluding refund tax credits or voter approved tax credits, with~~ no added tax or surcharge.

SECTION 2. In Colorado Revised Statutes, 39-22-104, **amend** (1.7) and (2); and **add** (1.8) as follows:

39-22-104. Income tax imposed on individuals, estates, and trusts - report - tax preference performance statement - legislative declaration - definitions - repeal. (1.7)(c) Except as otherwise provided in section 39-22-627, subject to subsection (2) of this section, with respect to taxable years commencing on or after January 1, 2022, BUT BEFORE JANUARY 1, 2027, a tax of four and forty one-hundredths 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.

(1.8) EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-22-627, SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2027, A GRADUATED TAX IS IMPOSED ON FEDERAL TAXABLE INCOME, AS DETERMINED BY SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST, AS FOLLOWS:

(a) FOR FEDERAL TAXABLE INCOME LESS THAN OR EQUAL TO ONE HUNDRED THOUSAND DOLLARS, THE TAX IS FOUR AND TWENTY ONE-HUNDREDTHS PERCENT;

(b) FOR FEDERAL TAXABLE INCOME GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS AND (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS;

(c) FOR FEDERAL TAXABLE INCOME GREATER THAN FIVE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS, (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND

DOLLARS, AND (III) SEVEN AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN FIVE HUNDRED THOUSAND DOLLARS;

(d) FOR FEDERAL TAXABLE INCOME GREATER THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO ONE MILLION DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS, (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, (III) SEVEN AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT OVER FIVE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS, AND (IV) EIGHT AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT OVER SEVEN HUNDRED FIFTY THOUSAND DOLLARS; AND

(e) FOR FEDERAL TAXABLE INCOME GREATER THAN ONE MILLION DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS, (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, (III) SEVEN AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN FIVE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS, (IV) EIGHT AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO ONE MILLION DOLLARS; AND (V) NINE AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE MILLION DOLLARS.

(2) Prior to the application of the rate of tax prescribed in subsection (1), (1.5), ~~or~~ (1.7), OR (1.8) of this section, the federal taxable income shall be modified as provided in subsections (3) and (4) of this section.

SECTION 3. In Colorado Revised Statutes, 39-22-301, **amend** (1)(d)(I)(K) and **add** (1)(d)(I)(L) as follows:

39-22-301. Corporate tax imposed – repeal. (1)(d)(I)(K). Except as otherwise provided in section 39-22-627, for income tax years commencing on or after January 1, 2022, BUT BEFORE JANUARY 1, 2027, four and forty one-hundredths percent of the Colorado net income.

(1)(d)(I)(L). EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-22-627, FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2027, A GRADUATED TAX IS IMPOSED ON COLORADO NET INCOME, AS DETERMINED UNDER THIS SECTION, OF EVERY DOMESTIC C CORPORATION, FOREIGN C CORPORATION, AND COMBINED GROUP, AS DEFINED IN SECTION 39-22-303(12)(a.3) 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, AS FOLLOWS:

(i) FOR COLORADO NET INCOME LESS THAN OR EQUAL TO ONE HUNDRED THOUSAND DOLLARS, THE TAX IS FOUR AND TWENTY ONE-HUNDREDTHS PERCENT;

(ii) FOR COLORADO NET INCOME GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS AND (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS;

(iii) FOR COLORADO NET INCOME GREATER THAN FIVE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS, (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, AND (III) SEVEN AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN FIVE HUNDRED THOUSAND DOLLARS;

(iv) FOR COLORADO NET INCOME GREATER THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO ONE MILLION DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS, (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, (III) SEVEN AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN FIVE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS, AND (IV) EIGHT AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS; AND

(v) FOR COLORADO NET INCOME GREATER THAN ONE MILLION DOLLARS, THE TAX IS (I) FOUR AND TWENTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT UP TO AND INCLUDING ONE HUNDRED THOUSAND DOLLARS, (II) FOUR AND FORTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS, (III) SEVEN AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN FIVE HUNDRED THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO SEVEN HUNDRED FIFTY THOUSAND DOLLARS, (IV) EIGHT AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS BUT LESS THAN OR EQUAL TO ONE MILLION DOLLARS; AND (V) NINE AND FIFTY ONE-HUNDREDTHS PERCENT ON THE AMOUNT GREATER THAN ONE MILLION DOLLARS.

SECTION 4. In Colorado Revised Statutes, **add** 24-77-103.3 as follows:

24-77-103.3. Voter approved revenue change – retention and use of revenue – accountability. (1) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, FOR EACH TAXABLE YEAR COMMENCING ON OR AFTER JANUARY 1, 2026, ALL REVENUE COLLECTED UNDER

THE INCOME TAX RATES ESTABLISHED BY SECTION 39-22-104(1.8) AND SECTION 39-22-301(1)(d)(I)(L)-IN EXCESS OF THE REVENUE THAT WOULD BE GENERATED IN ANY SUCH TAXABLE YEAR BY APPLYING THE INCOME TAX RATE THAT EXISTED AS OF DECEMBER 31, 2026 (“EXCESS REVENUE”), SHALL CONSTITUTE A VOTER APPROVED REVENUE CHANGE UNDER SECTION 20(7)(d) OF ARTICLE X OF THE COLORADO CONSTITUTION, AND AN EXCEPTION TO THE LIMITS THAT WOULD OTHERWISE APPLY WITHOUT LIMITING OR AFFECTING THE COLLECTION OR SPENDING OF OTHER REVENUES.

(2) THE EXCESS REVENUE SPECIFIED IN SUBSECTION (1) OF THIS SECTION SHALL BE COLLECTED, RETAINED, AND SPENT FOR THE FOLLOWING PROGRAMS AND PURPOSES:

(a) PUBLIC SCHOOL EDUCATION, INCLUDING:

- (I) IMPROVING KINDERGARTEN THROUGH 12TH GRADE, EARLY CHILDHOOD, AND POST-SECONDARY EDUCATION PROGRAMS;
- (II) INCREASING TEACHER PAY;

(b) HEALTH CARE, INCLUDING:

- (I) REPLACING MEDICAID FUNDING LOST DUE TO RECENT FEDERAL LEGISLATION, AND PAYING FOR IMPLEMENTATION OF NEW FEDERAL REQUIREMENTS;
- (II) INCREASING FUNDING FOR PRIMARY CARE, BEHAVIORAL HEALTH AND RURAL HEALTH CARE;
- (III) SUPPORTING HEALTH CARE, LONG-TERM CARE, AND OTHER SUPPORTS FOR OLDER ADULTS AND PEOPLE WITH DISABILITIES;
- (III) INVESTING IN INNOVATIVE PROGRAMS TO REDUCE HEALTH INSURANCE PREMIUMS;

(c) CHILD CARE, INCLUDING:

- (I) SUPPORTS FOR CHILD CARE WORKFORCE;
- (II) PROGRAMS TO HELP FAMILIES AFFORD CHILD CARE; AND

(d) WORKFORCE DEVELOPMENT, INCLUDING:

- (I) FUNDING STATE AND LOCAL WORKFORCE DEVELOPMENT AND ADULT EDUCATION AND LITERACY PROGRAMS;
- (II) SUPPORTING CAREER AND TECHNICAL EDUCATION, APPRENTICESHIPS, PRE-APPRENTICESHIPS, INTERNSHIPS, SHORT-TERM CREDENTIALS, AND OTHER INDUSTRY-RECOGNIZED TRAINING PROGRAMS; AND
- (III) PROVIDING JOB TRAINING, SKILL-BUILDING, AND RELATED SUPPORTS TO HELP INDIVIDUALS ENTER, RE-ENTER, OR ADVANCE IN THE WORKFORCE, OR MEET PROGRAM WORK REQUIREMENTS.

(3) FOR EACH FISCAL YEAR COMMENCING ON OR AFTER JANUARY 1, 2026, THAT THE STATE RECEIVES EXCESS REVENUE AS DEFINED IN SUBSECTION (1) OF THIS SECTION, THE DIRECTOR OF RESEARCH OF THE NONPARTISAN STAFF OF THE LEGISLATIVE COUNCIL SHALL PREPARE A REPORT, TO BE TRANSMITTED TO THE GENERAL ASSEMBLY AND MADE PUBLICLY AVAILABLE AND EASILY ACCESSIBLE ON OR VIA A LINK FROM THE GENERAL ASSEMBLY’S WEBSITE, SPECIFYING THE USES TO WHICH SUCH REVENUE HAS BEEN PUT AND TO ENSURE THAT SUCH REVENUE IS APPROPRIATED AND SPENT, AS DIRECTED BY THE PEOPLE OF COLORADO, IN ACCORDANCE WITH THIS SECTION. THE

OFFICE OF THE STATE AUDITOR SHALL AUDIT THE REPORT, WHICH MUST AT A MINIMUM CONTAIN THE FOLLOWING INFORMATION:

(a) THE AMOUNT OF SUCH EXCESS REVENUE; AND

(b) A SPECIFICATION AND DESCRIPTION OF THE AMOUNTS, PROGRAMS AND PURPOSES TO WHICH SUCH REVENUE HAS BEEN ALLOCATED AND APPROPRIATED.

THE REPORT SHALL INCLUDE A PLAIN LANGUAGE SUMMARY AND, WHERE POSSIBLE, EASILY UNDERSTANDABLE VISUALIZATIONS OF THIS INFORMATION, AND SHALL BE MADE REASONABLY AVAILABLE IN OTHER FORMATS WHEN REQUESTED.