



NEWS

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Colorado Senate Budget Proposal Continues Relentless Attack on TABOR

- Legislators want additional \$3.1 billion over five years instead of rebating to taxpayers -

WASHINGTON – Following the passage of a Colorado House measure wrought with raids on tax dollars, Senators believe they have found a compromise. The House measure would allow the state to keep roughly \$10 billion in new revenues over the next decade, while at the same time cutting the income tax rate from 4.63 percent to 4.5 percent. Under the so-called “compromise plan” the Senate has put forth, taxpayers would forego their rebates for a shorter period of time with no income tax reduction.

Sponsored by Senate President Pro Tem Peter Groff (D) and Assistant Minority Leader Steve Johnson (R), the proposal would lift the spending limits under Colorado’s Taxpayers Bill of Rights (TABOR) by approximately \$840 million over five years. Based on early reports, this would provide lawmakers over \$3 billion of new revenue that would normally be returned to the taxpayers as rebates. Additionally, the measure eliminates the reduction to the income tax rate as a viable option which would soften the blow to the taxpayers.

“When looking at the net effect of the two plans presented, all one can say is: One is bad, and the other one is worse,” said Grover Norquist, President of Americans for Tax Reform in Washington, DC. **“Is the legislature really willing to continue down the path of undoing the very measure that has given Colorado economic vitality for over the last decade, or will they finally follow the will of Colorado taxpayers, who in spite of all the badmouthing support their TABOR?”**

Critics see the House and Senate proposals as attacks on taxpayers’ wallets and a systematic step in bringing down TABOR, which has been successful in forcing the state to live within its means. Special interest groups in the state are determined to eliminate it to be able to raid state coffers for their spending projects.

“Various groups have identified over \$600 million in cost savings for the state, yet legislators seem dedicated to scrapping TABOR and raising taxes to pay off their special interests,” continued Norquist. **“They may try to sell this however they want, but retaining funds scheduled to be rebated to the taxpayers without lowering taxes by the equivalent amount is a tax increase. And when it comes down to it, Colorado voters will recognize it for what it is.”**

increases. For more information or to arrange an interview, please contact Chris Butler at (202) 785-0266 or at cbutler@atr.org.