

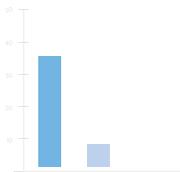
Amendment 73: The Economic Impacts of a \$1.6 Billion Tax Increase to Spend on Education

KEY FINDINGS

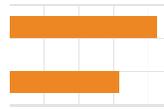
TAX INCREASE



The measure would increase taxes by **\$1.6 billion** including **\$1.4B increase** in personal income taxes, a **20% increase in revenue**.



The top marginal rate would jump from **37th to 8th amongst states** with income tax and would represent about **an 80% increase from existing tax rate**.



Corporate income tax rate would increase 30% and jump from **43rd to 31st amongst states** with a corporate income tax. This makes Colorado's corporate tax rate higher than Utah and Arizona.

PROPERTY TAXES



Sets residential property tax rate at 7.0% (an increase over projected 6.1% rate) and decreases the assessment rate to 24.0% for most nonresidential properties. This likely means that districts such as water, fire and police will face much lower revenues as their assessment rate falls while the school district rate remains constant.

PERFORMANCE IMPROVEMENT

There is no evidence of any performance increase in terms of graduation rates that can be determined from increased spending alone. The measure would increase education spending by a minimum of \$1.1 billion.

Recent spending patterns indicate there is no guarantee that new money will reach classrooms.

- Rising PERA costs now take **over \$450 million** from school districts to pay down unfunded liability.
- Recent years ratio of new non-teacher staff to teachers has been over 3 to 1.

ECONOMIC IMPACT ON THE COLORADO ECONOMY

Without a significant increase in school performance, there is a large negative impact to the private sector.



With no performance impacts, over the next 20 years the **average annual loss of jobs is over 11,400 private sector jobs**.



The average annual impact on state GDP is a **loss of \$850 million**.



Disposable personal income is estimated to be lower by \$1.8 billion on average annually.



Joint filers that make a combined \$150,000 or over would be subject to this tax increase.



This impacts pass through entities and small businesses especially hard.

Conducted by the REMI Partnership



To read or download the full study please visit:

[CommonSensePolicyRoundtable.org](https://www.CommonSensePolicyRoundtable.org)