

Initiative 2023-2024 #181: State Income Tax Reduction AMENDED TEXT

PROPOSED INITIATIVE 2023-2024 #~~181~~ STATE INCOME TAX RATE REDUCTION

*Be it enacted by the People of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, 39-22-104 **add**:

**Legislative Declaration.** (1) The people find and declare that:

(a) ~~Because~~ state law requires that excess revenues be refunded, both the state of Colorado and the taxpayers incur costs of compliance; ~~and~~

(b) ~~That~~ to avoid these costs and to save Colorado taxpayers from the costs of preparing and filing unnecessary tax returns the people intend to lower the income tax rates for all taxpayers; ~~and~~

~~(2) The people therefore declare that (c) it~~ is in the best interest of the people of the state of Colorado to lower the income tax rates for all taxpayers.

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

**39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - report - legislative declaration - definitions - repeal.**

(1.7)(d) ~~EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-22-627, s~~SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2025, A TAX OF THREE AND FIFTY 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.

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

**39-22-301. Corporate tax imposed - repeal.** (1)(d)(I) A tax is imposed upon each domestic C corporation and foreign C corporation doing business in Colorado annually in

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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:

(L) ~~EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-22-627, F~~OR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2025, THREE AND FIFTY ONE-HUNDREDTHS PERCENT OF THE COLORADO NET INCOME.

**SECTION 4. Effective date.** This act shall take effect upon proclamation by the governor pursuant to Sec. 1(4) of Article V of the Colorado Constitution.