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APR 06 2018

S. WARD
12:26 P.M.

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

Colorado Secretary of State

SECTION 1. Declaration. The people of Colorado find that:

- (1) In 1992, the citizens of Colorado voted to adopt an amendment to the state constitution that requires Colorado income tax to be a flat tax, with one tax rate.
- (2) The intent of this initiative is to keep Colorado's flat tax, even if that constitutional provision is repealed as part of an effort to raise or cut taxes on income in certain tax brackets.

SECTION 2. In Colorado Revised Statutes, add part 50 to article 22 of title 39 as follows:

PART 50

COLORADO'S FLAT TAX ACT

39-22-5001. Short title. THE SHORT TITLE OF THIS PART 50 IS THE "PRESERVING COLORADO'S FLAT TAX ACT."

39-22-5002. Effective date – applicability – conflicts. (1) THIS PART TAKES EFFECT UPON PROCLAMATION OF THE GOVERNOR, BUT ONLY IF AN INITIATED MEASURE PASSES IN THE 2018 COLORADO GENERAL ELECTION THAT REPEALS THE PORTION OF SECTION 20(8)(A) OF ARTICLE X OF THE COLORADO CONSTITUTION REQUIRING A SINGLE STATE INCOME TAX RATE. IF NO MEASURE PASSES IN THE 2018 COLORADO GENERAL ELECTION THAT REPEALS THE PORTION OF SECTION 20(8)(A) OF ARTICLE X OF THE COLORADO CONSTITUTION REQUIRING A SINGLE STATE INCOME TAX RATE, THEN THIS PART SHALL NOT TAKE EFFECT.

(2) IF THERE IS A CONFLICT BETWEEN THIS PART AND ANY OTHER PROVISION OF THIS ARTICLE, THIS PART SHALL CONTROL.

39-22-5003. Single income tax rate imposed on individuals, estates, and trusts. (1) WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE TO THE CONTRARY, IN ORDER TO PRESERVE THE FLAT INCOME TAX:

(A) IF ANY INCOME TAX RATE THAT WOULD BE IMPOSED ON THE FEDERAL TAXABLE INCOME OF ANY INDIVIDUAL, ESTATE, OR TRUST UNDER SECTION 39-22-104, C.R.S. FOR THAT TAXABLE YEAR IS BELOW FOUR AND SIXTY-THREE ONE HUNDREDTHS PERCENT, THE LOWEST SUCH TAX RATE IS IMPOSED ON THE ENTIRE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SUBSECTION 3 OF THIS SECTION, OF EVERY INDIVIDUAL, ESTATE, AND TRUST.

(B) IF ANY INCOME TAX RATE THAT WOULD BE IMPOSED ON THE FEDERAL TAXABLE INCOME OF ANY INDIVIDUAL, ESTATE, OR TRUST UNDER SECTION 39-22-104, C.R.S. FOR THAT TAXABLE YEAR IS ABOVE FOUR AND SIXTY-THREE ONE HUNDREDTHS PERCENT, THE HIGHEST SUCH TAX RATE IS IMPOSED ON THE ENTIRE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SUBSECTION 3 OF THIS SECTION, OF EVERY INDIVIDUAL, ESTATE, AND TRUST.

(C) IF INCOME TAX RATES THAT WOULD BE IMPOSED ON THE FEDERAL TAXABLE INCOME OF ANY INDIVIDUAL, ESTATE, OR TRUST UNDER SECTION 39-22-104, C.R.S. FOR THAT TAXABLE YEAR INCLUDE

RATES THAT ARE BOTH ABOVE AND BELOW FOUR AND SIXTY-THREE ONE HUNDREDTHS PERCENT, THE LOWEST SUCH TAX RATE IS IMPOSED ON THE ENTIRE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST.

(2) THE TAX RATES IMPOSED BY THIS SECTION ARE IMPOSED IN LIEU OF THE RATES THAT WOULD OTHERWISE BE APPLICABLE UNDER SECTION 39-22-104, C.R.S.

(3) PRIOR TO THE APPLICATION OF THE RATE OF TAX PRESCRIBED IN SUBSECTION (1) OF THIS SECTION, THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE INTERNAL REVENUE CODE, SHALL BE MODIFIED AS PROVIDED IN SUBSECTIONS (3) AND (4) OF SECTION 39-22-104, C.R.S.

(4) ALL REVENUES ATTRIBUTABLE TO THE INCOME TAX RATE IMPOSED BY THIS SECTION MUST BE COLLECTED AND SPENT AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY LIMITATION ON REVENUE OR SPENDING CONTAINED IN SECTION 20 OF ARTICLE X OF THE COLORADO CONSTITUTION OR ANY OTHER LAW.