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COLORADO TITLE SETTING BOARD *Colorado Secretary of State*

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IN THE MATTER OF THE TITLE AND BALLOT TITLE AND SUBMISSION CLAUSE FOR  
INITIATIVE 2019-2020 #270

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**MOTION FOR REHEARING**

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On my own behalf, as a registered elector of the State of Colorado, the undersigned hereby submits this Motion for Rehearing for Initiative 2019- 2020 #270 - Policy Changes Pertaining to State Income Taxes, pursuant to Section 1-40-107, C.R.S., and as grounds therefore states as follows:

**I. INITIATIVE #270 IMPERMISSIBLY CONTAINS MULTIPLE SEPARATE AND DISTINCT SUBJECTS IN VIOLATION OF THE SINGLE-SUBJECT REQUIREMENT.**

This Initiative impermissibly contains multiple subjects, thus depriving the Title Board of jurisdiction to set a title. The first subject is when the Initiative first creates the authority under the Colorado Constitution for a graduated rate tax system.

The second subject is when the Initiative changes state statute to create a four separate tiers of tax rates. While these tax rates would be illegal without the first subject, they are in fact a second subject as their exact tax rates are completely independent of the first subject, as shown by the fact that proponents have introduced other initiatives with differing rates.

The third subject is the creation of a new governmental entity - the Citizen's Oversight Committee. This Committee does not depend on the passage of the first subject and can exist with or without the rest of the Initiative.

The fourth subject is a limitation on revenue raised so that 25% will go to preschool through twelfth grade public school education.

The fifth subject is the requirement that 90% of revenue raised will be spent on services for Colorado residents and not administration costs.

The sixth subject is the creation of another tax, an alternative minimum tax on corporations of \$250 annually.

The seventh subject is the creation of a second new governmental entity - the Fair Tax Review Commission.

It is entirely possible that there are voters who would appreciate a Citizen's Oversight Committee but would not want a graduated tax system, that there could be voters who would desire a graduated tax system, but would not want a Citizen's Oversight Committee or that there are voters who would want a graduated tax system but not want a Fair Tax Review Commission. Any of the voters in these categories could also disagree on what the rates to be set in the graduated tax rate system should be. Those voters who would like a corporate tax enacted may be a completely separate set of voters. The voters who prefer that more money be spent on education would have a different set of interests. Finally, the voters who would like revenue to be used for services rather than administrative costs is yet another interest group. This creates a "log rolling" situation where voters with different interests are enticed into voting for the other issues in order to see their own interests satisfied.

## **II. THE TITLE DOES NOT ADEQUATELY CONVEY WHAT THE ROLE OF THE FAIR TAX REVIEW COMMISSION WILL BE**

The Title of this proposed initiative as currently set states only that the initiative "requir[es] the creation of . . . a tax review to report on the income tax rate structure on or before 2031." This indicates that only the new graduated income tax rate's structure will be reviewed. However, the initiative itself empowers the Fair Tax Review Commission to report on "the effects of the rate structure," including the effects on "state revenue and funding for public services provided by the state," "the distribution of income among taxpayers," and "the business climate, the ability of the state to attract and retain business." These subjects will necessarily lead the Fair Tax Review Commission into an examination of the adequacy of state revenue and the adequacy of funding for all public services provided by the state. In addition, the Commission will need to review economic analyses of the distribution of income, presumably before and after the changes to report on how the changed tax rate structure has impacted this distribution. Finally, the Commission will need to review Colorado's business environment and compare it to other the business environment in other locales to ascertain whether Colorado is able to "attract and retain business." The depth of this investigation is not indicated in the Title.

## **CONCLUSION**

Accordingly, the Objector respectfully requests that this Motion for Rehearing be granted and a rehearing set pursuant to Section 1-40-107(1), C.R.S.

Respectfully submitted this 12th day of February, 2020.

/s/Rebecca R. Sopkin

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