



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

Initiative 109

Fiscal Summary

Date:	April 19, 2022	Fiscal Analyst:	Greg Sobetski (303-866-4105)
--------------	----------------	------------------------	------------------------------

LCS TITLE: CALCULATION OF EXCESS STATE REVENUES CAP

Fiscal Summary of Initiative 109

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at www.colorado.gov/bluebook. This fiscal summary identifies the following impact.

State expenditures. When state revenue exceeds an annual limit, the excess revenue must be refunded to taxpayers. The measure reduces the amount of state revenue that may be retained and spent or saved by \$1.5 billion in FY 2023-24, and by larger amounts in later years when adjustments for inflation and population growth are applied. This revenue will instead be refunded to taxpayers.

The measure will also increase state agency budget office workload in FY 2022-23 to adjust budgets as required to comply with the reduced limit.

Economic impacts. The measure will increase refunds to taxpayers, increasing after-tax household and business income that may be spent or saved elsewhere in the economy. It will reduce economic activity and employment in the public sector as state spending decreases, while increasing economic activity and employment in the private sector as households have more after-tax income available to spend.