

Initiative 2021-2022 #31: State Income Tax Rate Reduction AMENDED TEXT

INITIATED STATUTE TO REDUCE THE STATE INCOME TAX RATE FOR ALL TAXPAYERS.

PROPOSED INITIATIVE 2021-2022 # _____

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

SECTION 1. In Colorado Revised Statutes, 39-22-104, **amend** (1.7) as follows:

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

(1.7) (a) Except as otherwise provided in section 39-22-627, subject to subsection (2) of this section, with respect to taxable years commencing on or after January 1, 2000, but before January 1, 2020, a tax of four and sixty-three 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.

(b) Except as otherwise provided in section 39-22-627, subject to subsection (2) of this section, with respect to taxable years commencing on or after January 1, 2020, BUT BEFORE JANUARY 1, 2022, a tax of four and fifty-five 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.

(c) EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-22-627, SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2022, A TAX OF FOUR AND FORTY 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 2. In Colorado Revised Statutes, 39-22-301, amend (I)(d)(I)(J) and add (1)(d)(I)(K) as follows:

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

(I) Except as otherwise provided in section 39-22-627, for income tax years commencing on or after January 1, 2000, but before January 1, 2020, four and sixty-three one-hundredths percent of the Colorado net income;

(J) Except as otherwise provided in section 39-22-627, for income tax years commencing on or after January 1, 2020, BUT BEFORE JANUARY 1, 2022, four and fifty-five one-hundredths percent of the Colorado net income.

(K) EXCEPT AS OTHERWISE PROVIDED IN SECTION 39-22-627, FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2022, FOUR AND FORTY ONE-HUNDREDTHS PERCENT OF THE COLORADO NET INCOME.

SECTION 3. Effective date. THIS ACT SHALL TAKE EFFECT UPON PROCLAMATION BY THE GOVERNOR.