The Sentinel's 2022 Voter Guide

by George Gramlich

The choices are pretty clear cut on most of the people running and the propositions and amendments on the ballot, but a few might be a bit problematic. Included below is the Independence Institute's (I2I) Voter Guide and a couple of pieces from the Common Sense Institute on the Propositions and Amendments on the ballot. These two organizations are conservative/libertarian and are almost always right on the money. We also included Jon Caldara's I2I piece on voting NO on all the judges. It is a must read.

You vote the way you want to vote. Just remember, there are some extremely important choices with long term effects that can change our state and our county, especially in our County Commissioner race.

For the *Sentinel's* candidate ballot choices, see the attached sample ballot with our selections filled in.

Let's talk about NOT voting or voting libertarian or some other line (especially in the U.S. Senate race and the Governor's race.) Joe O'Dea isn't as conservative as we would like but he has a chance of beating far left Bennet. A chance. It is better to have O'Dea as Senator than Bennet. The Libertarian candidate has NO chance of winning but can spoil O'Dea's chances by taking part of the vote. At this point in the game, folks, a vote for the Libertarian is a vote for Bennet. It is a wasted vote.

The same goes for the Governor's race: A vote for Neuschwanger is a WASTED Vote. Ganahl can beat the lefty Polis. Don't let Polis win, vote for Ganahl.

This might be the last election we ever have so DON'T WASTE YOUR VOTES.

Independence Institute

Independence Institute Colorado Statewide Voter Guide

by the Independence Institute

Proposition 124: VOTE YES

Why we support Proposition 124

Although Proposition 124 maintains elements of protectionism and flagrantly discriminates against new entries into the liquor market, on net, it expands freedom by permitting many existing liquor license holders to increase their number of licensed establishments over time.

The number of licenses potentially is unlimited starting in 2037, subject to other requirements such as keeping a minimum distance away from other liquor stores. This measure modifies language introduced by Senate Bill 2016-197.

The measure changes treatment of retail liquor stores to match that of so-called liquor-licensed drugstores in terms of number of licenses allowed. Per existing statute, the measure applies only to "a retail liquor store licensed on or before January 1, 2016." Licenses can be transferred, subject to various restrictions.

Although Prop. 124 does not come close to establishing a free market in liquor sales in Colorado, it moves a step in that direction. Because the measure changes statutes, a future legislature could fix its shortcomings

Proposition 125: VOTE YES

Why we support Proposition 125

Following 2016 legislation allowing grocery stores to sell full-strength beer, Proposition 125 allows those same stores to also sell wine starting in 2023.

Although most grocers still may not sell liquor (spirits) under the measure, Prop. 125 clearly establishes more liberty in the market for alcoholic beverages and gives consumers greater freedom of choice regarding where they shop for wine.

Proposition 126: VOTE YES

Why we support Proposition 126

Proposition 126 allows third-party companies to deliver products sold by stores that offer alcoholic beverages. The measure also allows permanent takeout and delivery of alcoholic beverages by bars and restaurants, a practice the legislature has allowed on a temporary basis during the pandemic. Prop. 126 requires deliverers of alcoholic beverages to verify the ages of people receiving the product, to be 21 years of age or older, and to meet various other requirements, including completion of a certification program. The measure also transfers legal liability to the delivering company and worker once they take possession of the product.

Prop. 126 clearly increases liberty for sellers, deliverers, and consumers of alcoholic beverages in Colorado.

(Editor/GG: This will hurt our current small, independently owned liquor stores. It is a tough call. No harm in voting No on this one.)

Proposition 121: VOTE YES
State Income Tax Rate Reduction

Why we support Proposition 121

This is a modest income tax cut for ALL taxpayers, from 4.55% to 4.40%. Everyone who pays income taxes will receive the exact same tax rate cut of 0.15%. Coloradans face the fastest increase in prices in over 40 years. Rising costs are strangling household budgets and reducing our standard of living. Proposition 121 would allow Coloradans to keep more of their hard-earned money, helping them cope with record inflation. Lowering taxes is also one of the main ways Colorado can attract businesses, entrepreneurs, and job creators to the state, adding resiliency to the state's economy.

The state of Colorado has created and collected billions of dollars in new taxes and fees on Coloradans in recent years without voter consent. This tax cut will give taxpayers back only a fraction of what has been taken. For example, in the 2021 legislative session alone, taxes and fees increased by over $700 million annually without voter consent.

Proposition 123: VOTE NO
Dedicated State Income Tax Revenue for Affordable Housing Programs

Why we oppose Proposition 123

This measure would reduce TABOR refunds by approximately $300 million annually for any year in which state tax revenues exceed the TABOR limit. Right now, the state anticipates TABOR refunds for at least the next three years. The measure—branded as a solution to the affordable housing crisis in our state—would exempt the money from TABOR and dedicate it to affordable housing grant and loan programs.

Rather than throwing more taxpayer money at the problem, we should focus on reducing government regulations that create barriers to new housing supply, including local zoning regulations, growth boundaries, stringent building codes, and other regulatory bottlenecks that make building new homes costly and inefficient.

Amendment E: VOTE YES
Extend Homestead Exemption to Gold Star Spouses

Why we support Amendment E

Under the current Homestead Property Tax Exemption, seniors over 65 who have lived in their home for 10 years or more are entitled to exempt up to half of the first $200,000 of their home's market value from property tax. If the qualifying senior dies, the surviving spouse may retain the exemption. The state reimburses localities for lost property tax either from the general fund or from that year's TABOR refund obligation.

In 2006, voters extended the exemption to veterans with a service-related disability. Amendment E would further extend the exemption to surviving Gold Star spouses of a veteran killed in the line of duty, or as the result of a service-related injury or disease. Neither the existing, nor the proposed veterans benefit, is subject to the 10-year residency requirement.

Property taxes are often among the most unfair of taxes; even if property values are increasing the tax must be paid out of current income. Limiting the potential hardship for a worthy group is always appealing. In addition, the legislature has in the past sometimes effectively eliminated the exemption by setting the ceiling to $0. Amendment E would make that more difficult; adopting a policy that might cause a war widow to be tossed out of her home for failure to pay taxes would probably be politically unpopular.

Proposition GG: VOTE NO
Amount of Tax Owed Table for Initiatives

Why we oppose Proposition GG

This measure represents an attempt to thwart future citizen ballot efforts that would reduce income taxes. If adopted by voters, this measure would require a new table to appear directly in the ballot title that already appears in the state ballot information booklet, or "Blue Book," which goes out to all voters with their ballot. The table breaks income down into 12 different arbitrary income "brackets" and provides an average tax savings to for each group of income earners.

In addition to unnecessarily crowding the ballot title—intended to be short and to-the-point—such a table does not accurately reflect to voters what an income tax rate cut would mean for them, as every individual, household, and business tax situation is unique, even within each income bracket. Frustrated by recent citizen ballot initiatives to reduce income taxes, proponents of big government believe having such a table in the ballot title will persuade more voters to oppose future income tax rate cuts.

Proposition FF: VOTE NO
Healthy Meals for All Public School Students

Why we oppose Proposition FF

Referred to the ballot by HB 22-1414, this measure calls for a tax increase of more than $100 million per year and an accompanying statutory change to provide meals for all public school students in Colorado—effectively continuing the free-meals-for-all model made possible during the pandemic by federal stimulus money. The tax increase would be levied against individuals making more than $300,000 annually by limiting state tax deductions for those taxpayers. The measure also creates a grant program for schools to purchase foods grown or processed in Colorado or increase wages for school meal workers and creates advisory committees to determine whether meals are "healthy and appealing to all students," among other things.

While we are certain that parents have enjoyed access to free meals through the pandemic, that emergency has passed. We question whether a tax increase—even on the highest earners—to fund free meals for all in perpetuity is necessary, especially since low-income students will continue receiving free meals under current law. Additionally, we question whether subsidies (in the form of "grants") for schools that purchase Colorado food (as opposed to the highest-quality, most cost-effective foods) are a good use of taxpayer money—and whether those incentive programs will be administered in a fair, impartial way that sidesteps favoritism and political maneuvering.

Amendment F: VOTE NO
Charitable Gaming Measures

Why we oppose Amendment F

The Colorado State Constitution requires that charitable organizations that want to run games of chance as fundraisers must have been in existence for five years. Amendment F would change that limitation to three years in the Constitution, and then allow the legislature to set it, or eliminate it altogether, in statute. Those running the games would no longer have to be volunteers, but could be paid the minimum wage.

Allowing workers to be paid the minimum wage is probably harmless enough; it doesn't create incentives to cheat the way that paying an operating firm a percentage of the take would. But it seems as though a charitable organization should have been in existence long enough to establish a reputation for integrity and legitimacy before being able to ask people to put money down on roulette. Also, the whole matter seems like an oddly specific thing to be dealt with in the state constitution in the first place.

Please see: https://i2i.org/guide-2022

VOTER GUIDE see page 16

VOTER GUIDE from page 15

Common Sense Institute

Commons Sense Institute's 2022 Ballot Guide:

Proposition #123: Dedicate Revenue for Affordable Housing Programs

Proposes to dedicate 1/10th of 1% of federal taxable income from the State's General Fund to create Colorado's first statewide voter initiated affordable housing fund.

Several provisions in the measure have potential to create transformative change. The state agencies implementing the measure will need to ensure they don't waiver on strengths of the requirements for local governments to accept funds in order to increase capture rate. Those provisions include; fast track permit approval requirements, funding for land banking, creation of a tenant equity vehicle, and aspirational 3% new unit growth targets of between 15,100 and 23,500 annual units.

While the measure does not increase tax rates, the money transferred to the new affordable housing fund, estimated to total $290 Million in first full year, will lower future TABOR refunds by an equivalent amount.

To address the challenges the measure presents and maximize its strengths, proponents, supporters, elected officials and Coloradans alike should consider the following recommendations *if* the measure passes:

• Address the Potential of a Growing Fund Balance — ***Institute a Performance Based Cap.***

• Address the Risk of Reappropriation — ***"Re-Bruce" Any Reappropriated Funds.***

• Resist Attempts to Loosen the Measures Requirements for Accepting Funds — ***Stay True to the Measures Value Proposition.***

• Resist Hyper Localism — ***Incentivize Local Governments to Adopt Regional Fast Track Approval Policies.***

• Drive Continuous Improvement — ***Require a Periodic Fund Performance Analysis.***

Full Report includes pros and cons: https://commonsenseinstituteco.org/proposition-123-affordable-housing/

Proposition FF: "Healthy School Meals for All Public School Students"

<u>About the Measure</u>

If passed, Proposition FF will provide free meals to all K–12 students within participating districts.[i] It will also increase wages for school food preparation workers and subsidize the use of Colorado-grown and produced food. To fund the program, the law will impose an income tax increase on Coloradans earning more than $300,000 a year. The tax will generate up to $104.2 million in the first year of the program, under current projections; however, the program is at risk of being overfunded or underfunded depending on cost and revenue outcomes into the future.[ii]

<u>Key Findings</u>

• If all Colorado public school food authorities participate in the program, an additional 615,000 students will become newly eligible to receive free meals at school, a 125% increase.[iii]

• To fund the program, the initiative will raise income tax increases on Coloradans who earn more than $300,000 per year; roughly 4.4% of Colorado filers will be impacted.

1. If all eligible children participate, each affected taxpayer will sponsor free meals for about six additional students, regardless of their parents' ability to provide.

2. The average additional burden upon these taxpayers will be $884 in the first year of the program and could increase thereafter if the number of taxpayers above the $300,000 threshold does not increase and legislators must increase the tax to keep the program solvent.

- The program will cost the state between $71.4 million and $101.4 million in its first year of full implementation. The tax increase will raise enough revenue to cover the maximum cost of the program under most projections. However, there is a real risk that the funding will be much higher than necessary or too low to completely fund the program.

The Sentinel's 2022 Voter Guide

- The program is likely to grow and in 10 years, the number of Coloradoans who will earn more than $300,000 by 2033 is projected to be between 198,868 and 338,754, which would amount to between $166 million and $293 million in additional revenue.

<u>Underfunding Risk</u>

- If costs are not carefully managed and revenues fall short of projections, the program could run a deficit as early as 2024 (between -$1.8 million and -$4.2 million), grow to $72.4 million in 2033, and deficit could grow as high as -$506 million by 2050.

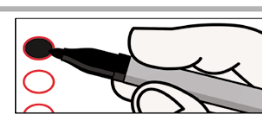
- According to the USDA's "School Nutrition and Meal Cost Study," the average school meal program operates at a slight deficit. The study also found that the reported cost of offering school meals generally exceeds the federal reimbursements allotted for those meals.[iv]
- The inflation rate on food rose 10.4% earlier this year as compared to 2021. Should inflation rates continue to rise, the cost to sustain the free lunch program will escalate beyond current projections.

VOTER GUIDE see page 17

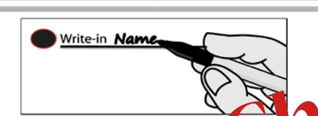
Official Ballot for 2022 General Election
Custer County, Colorado
Tuesday, November 8, 2022

Kelley S Camper
Clerk and Recorder

Precinct: 7046014001
Ballot Type: 001_C1



To vote for a named candidate, completely fill in the oval to the left of your choice. Use blue or black ink.



To vote for an eligible write-in candidate, completely fill in the oval to the left of the write-in line, and print the name of the candidate on the line. If a race does not contain a write-in line, you cannot vote for a write-in candidate.

To make a correction in a race with more than one candidate, draw a bold line through the oval and candidate name marked by mistake, then fill in the oval next to the correct name. If you voted for the only candidate in a race and want to withdraw that vote, you must request a replacement ballot.

Sentinel's Choices

WARNING: Any person who, by use of force or other means, unduly influences an eligible elector to vote in any particular manner or to refrain from voting, or who falsely makes, alters, forges or counterfeits any mail ballot before or after it has been cast, or who destroys, defaces, mutilates, or tampers with a ballot is subject, upon conviction, to imprisonment, or to a fine, or both. Section 1-7.5-107(3)(b), C.R.S.

SAMPLE

Federal Offices

United States Senator
(Vote for One)
- ○ Michael Bennet — Democratic
- ● Joe O'Dea — Republican
- ○ T.J. Cole — Unity
- ○ Brian Peotter — Libertarian
- ○ Frank Atwood — Approval Voting (Signed declaration to limit service to no more than 2 terms)
- ○ Write-in

Representative to the 118th United States Congress - District 7
(Vote for One)
- ○ Brittany Pettersen — Democratic
- ● Erik Aadland — Republican
- ○ Ross Klopf — Libertarian
- ○ Critter Milton — Unity
- ○ Write-in

State Offices

Governor/Lieutenant Governor
(Vote for one Pair)
- ● Heidi Ganahl / Danny Moore — Republican
- ○ Jared Polis / Dianne Primavera — Democratic
- ○ Paul Noël Fiorino / Cynthia Munhos de Aquino Sirianni — Unity
- ○ Danielle Neuschwanger / Darryl Gibbs — American Constitution
- ○ Kevin Ruskusky / Michele Poague — Libertarian
- ○ Write-in

Secretary of State
(Vote for One)
- ● Pam Anderson — Republican
- ○ Jena Griswold — Democratic
- ○ Gary Swing — Unity
- ○ Jan Kok — Approval Voting
- ○ Amanda Campbell — American Constitution
- ○ Bennett Rutledge — Libertarian

State Offices

State Treasurer
(Vote for One)
- ○ Dave Young — Democratic
- ● Lang Sias — Republican
- ○ Anthony J. Delgado — Libertarian

Attorney General
(Vote for One)
- ● John Kellner — Republican
- ○ Phil Weiser — Democratic
- ○ William F. Robinson III — Libertarian
- ○ Write-in

State Board of Education Member - At Large
(Vote for One)
- ○ Kathy Plomer — Democratic
- ● Dan Maloit — Republican
- ○ Ryan Van Gundy — Libertarian
- ○ Eric Bodenstab — Unity

State Senator - District 4
(Vote for One)
- ● Mark Baisley — Republican
- ○ Jeff Ravage — Democratic

State Representative - District 60
(Vote for One)
- ○ Kathryn Green — Democratic
- ● Stephanie Luck — Republican

County Offices

County Commissioner - District 1
(Vote for One)
- ● William R. (Bill) Canda — Republican
- ○ Deb Adams — Unaffiliated

County Clerk and Recorder
(Vote for One)
- ● Kelley S. Camper — Republican

County Treasurer
(Vote for One)
- ● Virginia Trujillo — Republican

County Assessor
(Vote for One)
- ● J.D. Henrich — Republican

County Sheriff
(Vote for One)
- ● Lloyd Rich Smith — Republican

County Offices

County Surveyor
(Vote for One)

There are no candidates for this office.

County Coroner
(Vote for One)
- ● Bradford Lewis Baltzly — Republican
- ○ Russell Johnson — Unaffiliated

Judicial Retention Questions
(Vote Yes or No)

Colorado Court of Appeals Judge

Shall Judge Jaclyn Casey Brown of the Colorado Court of Appeals be retained in office?
○ YES ● NO

Shall Judge Terry Fox of the Colorado Court of Appeals be retained in office?
○ YES ● NO

Shall Judge Christina Finzel Gomez of the Colorado Court of Appeals be retained in office?
○ YES ● NO

Shall Judge Matthew D. Grove of the Colorado Court of Appeals be retained in office?
○ YES ● NO

Shall Judge Sueanna P. Johnson of the Colorado Court of Appeals be retained in office?
○ YES ● NO

Shall Judge Lino S. Lipinsky de Orlov of the Colorado Court of Appeals be retained in office?
○ YES ● NO

Shall Judge Neeti V. Pawar of the Colorado Court of Appeals be retained in office?
○ YES ● NO

Shall Judge David H. Yun of the Colorado Court of Appeals be retained in office?
○ YES ● NO

District Court Judge - 11th Judicial District

Shall Judge Patrick William Murphy of the 11th Judicial District be retained in office?
○ YES ● NO

Mark both sides of the ballot ☞

The Sentinel's 2022 Voter Guide

VOTER GUIDE from page 16

Over Collected Taxes Will Not be Returned to Taxpayers and Could Be Used for Other Budgetary Expenditures

- If the program's total cost is lower than the taxpayer revenue collected, the surplus, can be allocated to the general fund and once in the general fund could be re-allocated for other budgetary priorities at the discretion of the state legislature which could be tens of millions, and would not be refunded to taxpayers.

3. Projections for over collected (surplus) revenue in 2033, 10 years into the program, are between $52.9 million and $180 million.
4. The potential cumulative over collected (surplus) revenue by 2033 is $1.02 billion.
5. Projections for over collected (surplus) revenue in 2050, 27 years into the program, are between $211 million and $1.0 billion.
6. The potential cumulative over collected (surplus) revenue by 2050 is $10.6 billion.

Other Considerations

- **Lack of oversight**– Nationally, according to the Office of Management and Budget, the National School Lunch Program lost nearly $800 million owing to improper payments in fiscal year 2018, while the School Breakfast Program lost $300 million. The Office of Management and Budget call these programs 'high-priority' programs because of the misspending. The state will need to ensure accountable and transparent reporting is maintained for such a large program.
- **Wasted food**– According to one PMC study, an estimated $1.2 billion worth of school food is wasted each year. Skeptics of free meals for all schoolchildren fear that waste will only continue to rise if universally free school meals are an option.[v]
- **High costs**– School-made meals generally cost more to prepare than parent-provided meals. If parents who previously prepared their kids' meals opted into the program, the cost per meal borne by the taxpayer would be greater than the money saved by the parent. Because the law will raise wages for school lunch workers and incentivize local sourcing of products, regardless of cost implications, the cost of free school meals will be even higher relative to parent-provided meals than in the past.

Recommendations

The implementation of Proposition FF, if it passes, will be complicated by the uncertainty of cost projections. According to the state's own fiscal estimates, the new tax could collect a large excess of revenue (up to $32.8 million in the first fully operational year) above what is required to run the program. If costs remain relatively low, the state could collect even larger excesses in subsequent years, especially if public-school enrollment continues to lag. The measure does not prescribe what will be done with excess revenue; the state will retain it as TABOR-exempt funds that could support other government spending initiatives. It will not return the funds to taxpayers. There is also a risk that revenues will not be enough to support the program. The legislature should use the audit required by the law to determine whether the program has been over- or underfunded and should release the findings.

The purpose of Proposition FF, after all, is to fund school lunches, not to indefinitely increase the amount of revenue which the state government can spend on other priorities. If it becomes clear that this has occurred, the legislature should take action to ensure that taxpayers' money is being used for the school lunch program as intended and that it is not being spent elsewhere. The legislature should remove its TABOR-exempt status for revenues collected in excess of expenditures and funds should be returned to taxpayers. If the program becomes more expensive than anticipated, lawmakers should either work to secure additional federal funding for it or reduce its scope and expense so that other spending priorities are not compromised.

The Case for a 'No' on All Judges, All the Time

by Jon Caldara,
Complete Colorado Page Two

It's the complete afterthought of every election season.

No media reports on it. No advertising is done for it. And no voter even thinks about it until they trip upon it on their ballot the same way you almost step on a dead bird in your backyard.

Judges.

We don't elect judges in Colorado. That is, they don't run as Republicans or Democrats. This is likely a good thing, though sometimes I wonder. It would at least give voters some sense as to their ideological leaning.

Judges here are appointed by the governor. And given that for 40 of the last 48 years we've had Democrat governors, our judiciary is out of touch, ideologically driven, extremely leftist and, as demonstrated by the recent flood of news stories, arrogant and corrupt.

What's our check-and-balance on the judiciary? Retention votes. Every few years we get to vote on whether or not to "retain" — that is keep, a judge.

In 2020 there were five statewide judicial retention votes. All five won their retentions in landslides. The tightest race was that of Court of Appeals Judge Craig Welling with a blisteringly close 70% "yes" vote.

I'm flabbergasted there weren't demands for a Welling recount, chants of "stop the steal" and a storming of the state capitol given that, by contrast, Probate Court Judge Elizabeth Leith won with a slightly more reasonable 83.2% vote.

If you include all the local judges, there were 103 retention votes throughout the state in 2020. And not a single judge lost. Most all won with about 75% "yes" votes. Many with near 90%.

Like Putin in Russia, a judge never loses a Colorado election (there are other comparisons).

So, what's a voter to do? Fortunately, government came to our rescue. They created the Office of Judicial Performance Evaluation! This office has created a process to fairly evaluate each judge's work and report the findings to voters.

How do I know they fairly evaluate each judge's work? They say so. They even print that in that Blue Book voter guide cluttering up your kitchen counter.

They spend hours (yes, they say "hours." Hours, I tells ya!) evaluating the "overall performance of the judges." Basically, they evaluate if the judge runs his courtroom well, treats his staff well and doesn't slap lawyers. All good stuff but nothing I as a voter care about. I care about a judge's ideology. I care if his philosophy of law gravitates toward a constitutionalist Antonin Scalia or an activist Ruth Bader Ginsberg.

The commissions the office runs only tell voters if a judge "meets performance standards," therefore sending you a signal to vote "yes" on retention, or "does not meet performance standards" and signaling a "no" vote.

This year there are eight statewide judges up for retention. And not only do they signal to vote "yes" on all eight with their "meet performance standards," the 11-member Commission of Judicial Performance voted UNANIMOUSLY in all eight cases.

Not a single dissenting vote for any judge!

In Garrison Keillor's fictitious Lake Wobegon all the children were above average — statistically impossible.

In Colorado's Commissions on Judicial Performance all judges are much better than that.

They're absolutely perfect in every way.

Even Mary Poppins was only *practically* perfect in every way.

What are some of the hard-hitting critiques we can use to make our judgments? Take what they wrote about the Honorable Jaclyn Casey Brown: "she is well-prepared, succinct in her questions and respectful." The commission also commends her "collegiality and collaboration among her peers."

They may as well opine, "her kisses taste like the sweetest wine, cooks better than mother."

For Judge Matthew Groves they write he "runs his Chambers (Really? "Chambers" is capitalized. Judges and lawyers do like to smell their own flatulence, don't they?) in a collegial, adaptable, flexible and efficient way."

They may as well add, "he can bench-press 200 lbs., recite Shakespearean sonnets from heart and will hold you when you just need to cry but don't know why."

Okay, so this sycophantic, inbred judicial performance system is self-serving and wholly meaningless. It must be scrapped entirely. That won't happen soon.

My modest proposal is you vote "no" on all judges, all the time.

Should voting "no" ever become even close to the norm, judge themselves will lead the reform to a better system.

Jon Caldara is president of the Independence Institute, a free market think tank in Denver.

Please see: https://pagetwo.completecolorado.com/2022/10/05/caldara-the-case-for-a-no-on-all-judges-all-the-time/

Commons Sense Institute

For the whole report see: https://commonsense instituteco.org/proposition-ff-healthy-school-meals/

Proposition 121: "State Income Tax Rate Reduction"

Introduction

Amid rising prices, regulatory expansions, and large government spending increases, many policymakers and activists are searching for ways to increase Colorado's affordability. Emboldened by the success of Proposition 116 in 2020, which reduced the state income tax rate from 4.63% to 4.55%, that measure's sponsors have proposed another income tax cut of almost double its magnitude for the 2022 ballot.

Proposition #121, which would further reduce the state income tax rate from 4.55% to 4.4%, has qualified for the 2022 general election ballot and will receive its official proposition number by September 9th.[i] The reduction in the state tax rate would be retroactive for income earned in 2022 and is projected to reduce total state income tax collections over 2022 and 2023 by $572 million.[ii]

In this report, CSI outlines the details of Proposition #121 and projects the impacts it could have across the Colorado economy upon both the private sector and the state.

Key Findings

- **Proposition #121 would save Coloradans $1.6 billion over the first 5 years after its passage.** In 2023, taxpayers would save $767 million, which is more than in any other year—this is because both the 2022 and 2023 tax savings would be realized in 2023 without causing any corresponding reduction in the FY22 TABOR refund, which is already budgeted. In 2024, taxpayers will experience a net tax increase due to the interaction between the 2023 savings and the FY2023 TABOR refund, which would be distributed in 2024.
- **Proposition #121 is not projected to reduce state government spending in either of its first two fiscal years** because it offsets future TABOR refunds. Over those years, general fund spending is projected to increase by 13.4% from $16 billion to $18.2 billion. In future years with no TABOR refund, the tax cut will lower total revenue available for spending compared to the current baseline but will likely not cause nominal spending reductions between any two years.
- **The largest one-year economic impact of Proposition #121 would occur in 2023, which is the year of the biggest net tax reduction. The dynamic impact of the tax savings in 2023 would be** an estimated additional 9,110 jobs.
- **Proposition #121 would increase private-sector employment and decrease government employment** in the long run. The net impact on employment in 2026, the first year without a projected TABOR refund that the tax cut would offset, depends upon the degree to which the state government manages a smaller budget by reducing the growth in government jobs.
- The state would gain 2,520 jobs under Scenario B, whereby the state government does not cut any jobs and instead constricts spending elsewhere.
- The state would lose 1,590 jobs under Scenario A, whereby the state government cuts its employment to account for the reduction in its revenue.

Conclusion

Proposition #121 will appear before Colorado voters during a time of protracted economic recovery and diminishing affordability. Its impacts will be considered in the context of record inflation, regulatory growth, and the largest state budget in Colorado history. Given the permanence of the tax cut, voters should also consider its long-term implications, which could occur under vastly different economic circumstances.

Though the static fiscal estimates illustrate the relative size of the change in tax revenue, the dynamic economic modeling described in this report should help to better understand how the impacts will manifest throughout the economy. State spending reductions will eventually be required to accommodate the tax cut, but less state-government revenue means more savings for individuals and businesses—this translates to more jobs, higher incomes, and higher economic output.

For the whole report see: https://commonsenseinstituteco.org/proposition-121-state-income-tax-rate-reduction/