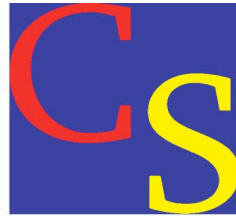


Proposition 101, Amendments 60 and 61

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Proposition 101: Various Tax Cuts

- Vehicles:
 - Specific Ownership Taxes on Cars reduced over four years to \$2/new cars, \$1/used cars
 - Eliminates state and local taxes on vehicle rentals, leases, and first \$10K of car values
 - Reduces registration fees to \$10



Proposition 101: Various Tax Cuts

- Income Tax and Telecommunication:
 - Reduces the income tax immediately to 4.5% from current 4.63%.
 - Then, incremental reductions to 3.5%
 - Except for 911 fees, all State and local charges on telecommunications (phone, cable, etc.) would be eliminated.
- These tax cuts may effectively repeal Referendum C.



Summary of Prop 101

Estimated Impacts of Proposition 101			
Provision	State Impact	Local Impact	Comment
Reduce SO Tax	\$250 million in backfill to schools.	\$500 million in reduced revenue	
Reduce Registration Fees	\$375 million	Of the total state impact, \$110 million of it will be felt at the local level	There will be impacts to the State Patrol and Ports of Entry programs.
Income tax reduction	\$1.2 billion		This impact may take many years to materialize. Impact is based on current tax base.
Vehicle sales tax reduction	\$122 million	\$122 million	
Telecommunication	\$4.5 million		Additional \$72 million in privately managed funds.

Estimated impacts by Colorado Strategies and Bell Policy Center. Subject to revision.



Amendment60: PropertyTax Cuts

- Amendment to TABOR
- Mill Levy Phase-out: non-college school districts mill levy for non-debt related revenues is to be cut in half, with a required state backfill.
 - \$1.2 billion requirement for the State
- Requires Enterprises and Authorities to pay property taxes; cuts mill levies to offset revenue
 - Local: some water, fire, sewer, many others
 - State: Higher Education, Wildlife, Correctional Industries



Amendment60: PropertyTax Cuts

- Repeals past “de-Brucings”
 - Several hundred local elections have occurred since 1992
 - Impact still being determined, but expected to be severe
- Other: Allows electors to vote where they own real property; limits future property tax increases to ten years; future de-brucings limited to 4 years.



Amendment 61: Debt Prohibition

- Amendment to TABOR
 - Bans all levels and divisions of government from bonding/COPs/lease-purchase/tax anticipation, including those with authority now;
 - State example: would prohibit Treasurer from managing school finance before property taxes come in
 - Limits voter-approved borrowing to maximum 10 years
 - After current borrowing is paid off, non-enterprise tax rates must decline.
 - State example: CDOT TRANS repayment means a cut in gas tax of \$168 million

