

Fall 2022 Ballot Issue

Initiative #31

Reduce State Income Tax Rate from 4.55% to 4.40%

CCLP STRONGLY OPPOSES

This measure would permanently reduce the state income tax rate for individuals and corporations, reducing state revenues by about \$400 million per year when fully implemented. If revenues from income tax fall too much below the TABOR revenue cap, (e.g., post 9/11, 2008 Great Recession, or 2020 COVID pandemic), tax revenue could not be restored until approved by voters, triggering program cuts.

Income tax rate cuts disproportionately help those with the highest income. Those whose income is too low to owe INCOME taxes e.g., a couple with income under \$25,000/ yr. get NO benefit, as their income is too low to owe any income tax, yet they still pay sales tax, excise tax, and- directly or indirectly through their rent – property tax. Low-income Coloradans, in fact, would lose part or all of their TABOR Sales Tax Rebate and could disproportionately be affected by cuts to governmental services if this passes.

2022 Income Related Bills CCLP Opposed

HB22-1021

Reduce Income Tax Rate (Matches Ballot Measure #31, above)

CCLP **opposed** and testified against – It was killed in the first committee. Be sure to read the “Demographic Fiscal Note” which explains how different groups of Coloradans are affected differently. CCLP also sent comments to the staff developing the [Demographic Fiscal Note](#).

HB22-1125

Income Tax Rate Reduction

This was a plan to ratchet down our income tax rate over time. TABOR surpluses would trigger PERMANENT income tax rate reductions. CCLP **opposed** and testified against it. It also died in the first committee.

Other 2022 CCLP Priority Legislation on Income

[SB22-099](#)

Sealing Criminal Records

CCLP co-led this legislation with Interfaith Alliance and the Clean Slate Coalition to automatically seal most of the older nonviolent criminal records already eligible for sealing through individual court hearings.

[HB22-1230](#)

Employment Support & Job Retention Services

This CCLP/Skills2Compete bill renewed the fund that allows Coloradans living below the federal poverty line who are working on an employment goal to access up to \$400 a year in support services from their case manager.

[HB22-1259](#)

Modification to Colorado Works Program

Colorado Children's Campaign, CCLP and the TANF Coalition led the large effort to redesign the Temporary Assistance to Needy Families Program to be more helpful, and less punitive for the families it serves. As passed, the bill increased the TANF grant by 10% - e.g., \$508 per month for a parent with two children to \$559 per month, with an annual cost of living adjustment. It also standardizes exemptions from work participation and from the 60-month time limits and direct the State Board of Human Services to adjust the Earned Income Disregard and the Standard of Need (eligibility limit).

**View Skills2Compete's list of
[2022 Workforce and Skills
Training Bills](#)**

<https://cclponline.org/wp-content/uploads/2022/07/S2C2022Billistfinal-June-23.pdf>

Other 2022 Income-Related Legislation

[SB22-086](#)

Homestead Exemption and Consumer Debt Protection

CCLP actively supported this measure to increase the value of a home protected from debt collection and other updates like adding vehicles used as housing.

[SB22-140](#)

Expansion of Experiential Learning Opportunities

CCLP played a role in the development of this employment bill, particularly the funding of Community Digital Navigators.

[SB22-182](#)

Economic Mobility Program

Funds Colorado Department of Public Health and Environment to do outreach and help people apply for family-related tax credits: EITC, Child Tax Credit, etc. Also funds Colorado Department of Higher Education to create a platform to connect students to the public benefit for which they might be eligible.

[SB22-233](#)

TABOR Refund Mechanism for 2022 only

This bill changed FOR ONE YEAR ONLY from the regressive regular six tier rebate to the flat rebate same for everyone. This is a one -year only change. We would like the TABOR rebates to be progressive, or a least flat moving forward.

[SB22-234](#)

Unemployment Compensation

The bill used \$600 million in federal American Rescue Plan (ARPA) to repay the unemployment insurance fund, depleted during the pandemic. Colorado Fiscal Institute was able to add provisions to expand UI to cover the first week of unemployment, and fund recovery benefits for those who would qualify for UI but for their immigration status.

[HB22-1010](#)

Early Childhood Educator Income Tax Credit

Colorado Children's Campaign led this effort to retain early childhood educators using a refundable income tax credit to supplement their wages. Applies to those working in licensed child care settings at least 6 months in previous year. Refundable credit varies based on level of ECE credential from \$750 to \$1500/yr. Available to those with filing single with incomes at or below \$75,000 or filing joint with income at or below \$150,000. Available for four years.

[HB22-1055](#)

Sales Tax Exemption Essential Hygiene Products

Incontinence products and diapers and period products were added to the list of items exempted from state sales tax as basic needs.

[HB22-1205](#)

Senior Housing Income Tax Credit

This is a one-year (tax year 2022) refundable tax credit for those 65 and older who do not currently receive the Senior Homestead Exemption- renters, or those who have not lived in their home for at least 10 years. Up to \$1000 for those with income under \$25,000/yr.; tapers off and zeroes out at \$75,000/yr.

[HB22-1359](#)

Household Financial Recovery Program

This Bell Policy-led bill makes more affordable lending (No more than 5% apr) on small dollar loans (less than \$5000) available to those low- and moderate-income individuals most affected by COVID. This pilot program is implemented through a loan loss reserve for participating Community Development Financial Institutions (CDFIs).