



Proposition 116: State Income Tax Rate Reduction

Alliance Position: Oppose

Proposition 116 is an across-the-board tax cut which will lower the rate for all income from 4.63 percent to 4.55 percent. Here is how this will look for some Coloradans:

Annual Income	Annual Tax Savings Under Prop 116
\$25,000	\$20
\$50,000	\$40
\$100,000	\$80
\$250,000	\$200
\$1 million	\$800
\$250 million	\$200,000

The average Coloradan makes slightly over \$46,000, garnering a tax cut of \$37. **In total, 55 percent of the total cut would go to the top 3 percent of Colorado earners.**

It's estimated these tax cuts will cost Colorado \$154 million in fiscal year 2021. This is in addition to the 25 percent (\$3.3 billion) budget cut that occurred last year due to the COVID-19 economic crisis, with more cuts expected next year. Below are some cuts made last year, that Coloradans are starting to feel:

- **K-12 education funding was cut by \$572.4 million**, leading to lowering salaries, furloughing employees, and less capacity to respond to education needs created by COVID-19.
- **Family planning services were cut by 15 percent**, leaving over 1,700 Coloradans with less access to critical health care services.
- **Community provider rates were cut, affecting 1.2 million Coloradans on Medicaid, including people with disabilities**, and reducing the number of providers who will service these Coloradans.
- **Higher education was cut by \$493 million**, ensuring students foot more of the bill in tuition and student loans.

Alliance is a statewide nonprofit association of Community-Centered Boards (CCBs) and Program-Approved Service Agencies (PASAs) who provide services and supports to individuals with intellectual and developmental disabilities (IDD)

Alliance is proud to represent all 20 Colorado CCBs and over 80 PASAs. Together, our members serve over 20,000 people with IDD and employ thousands of professionals to support them.

For more information, contact info@alliancecolorado.org or visit us online at www.AllianceColorado.org





For context on what \$154 million looks like in the state budget:

- The Senior and Disabled Veteran Homestead Exemption, a program designed to keep seniors in their homes, costs the state \$160 million annually.
- Full-day kindergarten costs \$200 million per year, or approximately 1.25% tax cuts.
- Given the state's per-pupil funding formula, \$154 million is approximately the cost of educating more than 18,000 K-12 students annually.
- It costs the state less money to educate the entire K-12 population of Mesa and Montrose Counties than it would be to fund the tax cut.

Services for people with intellectual and developmental disabilities are funded almost entirely by public programs. These services depend on a healthy state budget, which depends, in large part, on tax revenues. Colorado already has unique budgetary constraints due to TABOR, and our state budget has been further cut by the COVID-19 pandemic. Colorado can't afford Proposition 116 in any year, but it certainly can't afford it when the nation is facing one of the biggest economic crises in history. That's why Alliance urges you to vote **NO ON PROPOSITION 116**.

[Alliance joins 50+ groups tell Governor Polis not to support Prop 116, an across-the-board tax cut \(8.31.20\)](#)

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