

136 Income Tax Rate Cap

What does this proposition do?

Proposition 136 caps the state's income tax rate at 4.4%, preserving Colorado's current flat income tax structure and preventing the adoption of higher rates. A flat tax means that all people and businesses in Colorado are taxed at the same percentage (4.4%), rather than paying taxes at different percentages based on their income levels.

Colorado gets most of its revenue from income taxes. Colorado's flat income tax system was adopted in 1987 at 5%. Small cuts since then have lowered it to the current 4.4%. Supporters of Proposition 136 believe that maintaining Colorado's flat income tax system keeps the state economically competitive because people with higher incomes may be more likely to move to or stay in Colorado rather than other states that have a graduated tax system. Additionally, supporters say a flat tax system is easier for taxpayers to understand and calculate.^{1,2}

Impact on Coloradans

If Proposition 136 is approved by voters, Coloradans would see no changes to their 4.4% income tax rate, regardless of their income. The measure may make future income tax increases less likely, although voters would still have the power to raise income and other taxes through the ballot measure process in future years.



Impact on Colorado's budget

Proposition 136 would have no impact on current state or local government revenue or expenditures, because it would preserve Colorado's current tax rate. However, the measure may inhibit future increases in state revenue.³

The 4.4% cap would be set in statute, not the constitution. That means the legislature could amend or repeal it through the legislative process. However, only voters can raise income tax rates under the Taxpayer's Bill of Rights (TABOR) provision in Colorado's state constitution.⁴

Proposition 136



Who supports?

Advance Colorado, a conservative advocacy nonprofit, supports Proposition 136 as a way to offer predictability for taxpayers and businesses, prevent future tax increases, preserve household incomes, and protect Colorado's economic competitiveness.⁵ At the time this fact sheet was produced, Advance Colorado hadn't disclosed its funders and there was no publicly available comprehensive list of endorsements for Proposition 136. However, a few organizations have publicized their support, including the Denver Metro Chamber of Commerce and the Gazette Editorial Board.^{6,7}



Who opposes?

Many opponents of Proposition 136 support Amendment 87, which would replace Colorado's current flat tax with a graduated income tax. One committee, Vote Common Sense, is registered in opposition to Proposition 136.⁸ The biggest contributors to the opposition committee include the Colorado Immigrant Rights Coalition Action Fund; Cobalt Foundation (a reproductive healthcare access nonprofit); American Federation of State, County, and Municipal Employees (public employees union); Conservation Colorado (a climate action and environmental justice advocacy organization); and Colorado Fund for Children and Public Education.

Scan the code to view sources for the Amendment 87 and Proposition 136 statewide ballot measure briefs.



What happens if Amendment 87 and Proposition 136 both pass?

If both Amendment 87 and Proposition 136 pass, the measure with the most votes becomes law. The parts of each measure that don't conflict with each other will both go into effect. The Colorado Supreme Court would rule on which parts of the measure with the least votes would still take effect.^{9,10}

For example, the increased tax rates for people with higher incomes outlined in Amendment 87 will likely only go into effect if Amendment 87 receives more total votes than Proposition 136.¹⁰ This means that for either measure to be implemented in full, it not only needs to receive at least 50% of the vote to pass, but also needs to receive more votes than the other measure.

Your civic participation matters

Many resources are available to help Colorado voters make informed decisions, including the [Colorado Blue Book and Local Ballot Measure Tracker](#).^{11,12} Visit [GoVoteColorado.com](https://www.GoVoteColorado.com) to view or update your voter registration.



Who we are

The **Colorado Health Institute** has partnered with **The Colorado Health Foundation** to develop resources that help Colorado voters make informed decisions. They include this fact sheet and its companion for Amendment 87, as well as the [Local Ballot Measure Tracker](#).¹² We do not take positions in support or opposition to any state or local ballot measure.

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