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# The graduated income tax proposal is a flat tax in disguise.

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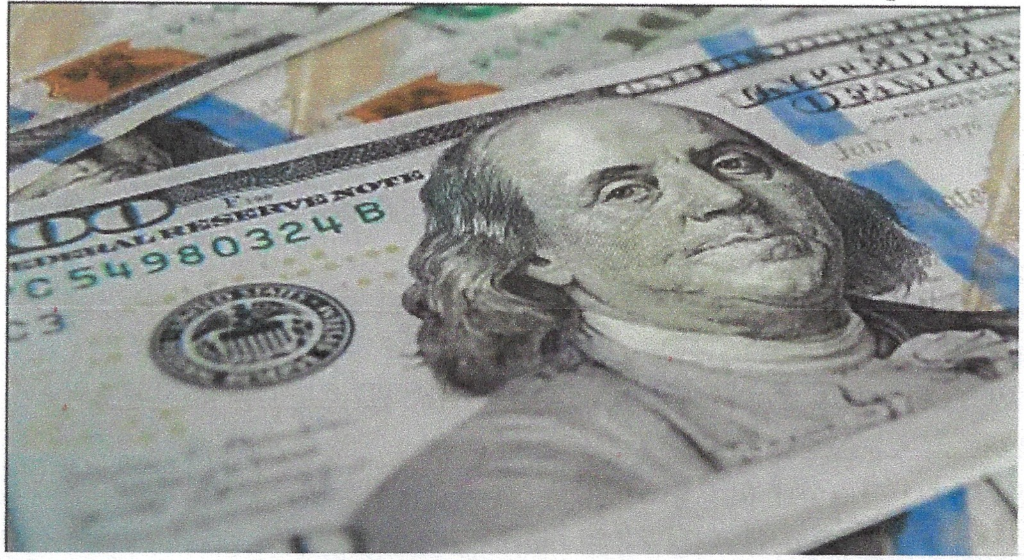
The Denver Gazette · 6 Sep 2026 · B11 · Jon Caldara is president of the Independence Institute in Denver and hosts "The Devil's Advocate with Jon Caldara" on Colorado Public Television Channel 12. His column appears Sundays in Colorado Politics.

No legislator must introduce a bill. No governor must sign one. No campaign committee must explain it. Inflation does the dirty work while politicians pose for pictures with schoolchildren.



"Youth is wasted on all the wrong people."

That's one of my favorite lines from "It's a Wonderful Life." The older I get, the less it sounds like a joke. Every generation inherits victories it did not win. Young Americans never experienced the Cold War, the draft or stagflation. Double-digit inflation is something grandpa now mentions in one of his rambling monologues about how good we have it.

The young don't remember "bracket creep" because why would they? They never, ever experienced it. A previous generation defeated it for them.

Note

Though it sounds like a medical condition, bracket creep was one of government's most sinister ways of raising taxes without voting to raise taxes.

Inflation pushed wages upward — even when purchasing power went down. Because federal tax brackets remained fixed, workers were steadily pushed into higher tax rates without actually becoming any richer.

Note

Your paycheck got bigger but so did your grocery, utility, insurance and every other bill. Your standard of living stayed put at best. Washington congratulated you on becoming "richer" and sent a larger tax bill.

It was a yearly tax increase. Was. In the early 1980s, Colorado U.S. Sen. Bill Armstrong, then on the Senate Finance Committee, led the fight to end it. Federal income tax brackets became indexed to inflation. Now when your income rises with the cost of living, you're not pushed into a higher tax bracket. Government no longer profits by confusing more dollars with more wealth.

Colorado attacked it another way. In 1987, Democratic Gov. Roy Romer signed legislation replacing the state's graduated income tax with a flat rate and put the state into economic overdrive. Note

This year's Amendment 87 would put the transmission in reverse.

The measure would replace Colorado's flat income tax with six progressive tax brackets. Its sales pitch is politically irresistible: You get a modest tax cut, and somebody richer pays for it. Note

Under the proposal, if you make less than $100,000 a year you get a tiny tax cut (for now). From $100,000 to $500,000 nothing really changes. But when you make more than that your tax rate skyrockets to almost double. Note

The most dangerous defect is what Amendment 87 leaves out: Its tax brackets are not indexed to inflation. Note It truly takes you back in time, back when inflation pushed you into higher brackets while your buying power went down.

What proponents are counting on is you won't understand at some point you will be in the "tax them more" brackets. Not that you'll actually be richer. It's just what inflation does. Making $25,000 in 1980 is the same as making $100,000 today.

Note

Put differently (drumroll, please), SOONER OR LATER EVERYONE IN COLORADO WILL BE PAYING AN 8.4% INCOME TAX. It's only a matter of when.

In the Marvel movies Thanos was "inevitable." This proposal is Thanos. It is inevitable everyone will be paying the top rate as inflation pushes people's salaries higher.

Fewer and fewer people every year will be in the lower, "tax cut" brackets. Because it's not indexed to inflation, eventually we will all creep into the higher tax brackets.

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That is bracket creep. We got rid of it federally because Americans learned the lesson the expensive way when inflation ravaged the 1970s. Amendment 87 asks you to forget it.

Let me spell it out as clearly as I can: Amendment 87 only temporarily replaces a flat income tax rate with a graduated one. Ultimately, we all creep into the 8.4% tax bracket. And we'll effectively have a flat tax again. Like Thanos, it is inevitable. Supporters say taxing the wealthy is only fair. Take a moment to consider how not indexing it for inflation makes that argument a lie.

If proponents believe their brackets are fair today, in 2026, why are they unwilling to keep those brackets fair tomorrow by indexing those brackets to inflation?

They know damn well that over time every Coloradan will be in higher and higher tax brackets. What they claim is fair today must, by their own reasoning, become unfair tomorrow.

Colorado once understood that tax systems should not punish people for inflation.

Now Amendment 87 invites us to trade that hard-fought inheritance for a tiny check today and an automatic tax escalator tomorrow.