

2026-5-14

GTK

Democrats are trying again to undermine the Taxpayer Bill of Rights.

Colorado Joins the Tax Increase Line

Colorado voters in recent years have twice rejected attempts by their Democratic Legislature to erode the state constitutional limits on taxes and spending. But Democratic lawmakers haven't given up on ignoring the voters.

Democratic lawmakers on Tuesday gave final approval to place on November's ballot a measure that would gut the state's spending limit. Colorado's 1992 Taxpayer Bill of Rights (aka TABOR) limits annual spending growth to the rate of population growth plus inflation. If tax revenue exceeds this cap, as often happens when the economy is strong, the surplus is returned to taxpayers. Refunds have averaged about \$700 to \$800 per household in recent years.

The cap imposes spending discipline on lawmakers and prevents boom-bust revenue cycles— that is, when years of strong economic growth and tax collections give way to downturns and deficits. Government unions pushed to undermine the spending and tax limits with ballot measures in 2019 and 2023. Both failed.

But unions are back for a third try. The Democratic measure would lift the spending cap by effectively removing education spending. This would raise the limit by \$4.6 billion this year and allow the state to keep up to \$37.5 billion more in tax revenue over the next decade. Say goodbye to your annual refund, Coloradans.

Democrats say the measure would raise money for education without raising taxes. Huh? Eliminating taxpayers' refund is an effective tax increase. Plus, the measure would embolden Democrats to raise taxes since they wouldn't have to return the resulting revenue that exceeds the cap to taxpayers. They could keep and spend it.

The measure amounts to an income transfer from taxpayers to politicians and their government union allies. The extra spending cash wouldn't be strictly earmarked for education, but the teachers' union would benefit since the measure would require some of it to fund teacher raises and to hire more teachers.

If voters approve the measure, the only remaining check on the tax-and-spending ratchet in Colorado would be a TABOR requirement that voters approve tax increases. But Democrats have weakened this restraint by disguising tax hikes as "fees." They dubbed an eight cent a gallon increase in the gas tax a "road usage fee."

Taxpayers sought to place a measure on the November ballot that would limit the Legislature's ability to creatively redefine tax hikes as fees, but the referendum was blocked this spring by the state's Democratic Supreme Court. All seven Justices were appointed by Democratic Governors.

Progressive are also seeking to qualify a measure for the November ballot that would replace the state's 4.4% flat tax with a graduated income tax with a top rate of 8.4% on income over \$1 million. Colorado, which ranks 33rd in the Tax Foundation's state tax competitiveness rankings, could soon join the race to the fiscal bottom with California, New York and Illinois.

The left in Colorado hopes to take advantage of expected high Democratic turnout in the November election. One after another in recent years, states dominated by Democrats and public unions have moved to raise taxes again and again: California, New York, Massachusetts, Rhode Island, Maine, Washington, and now Colorado. For government unions that run these state capitals, it's never enough.

one pg only