

Be it enacted by the People of the State of Colorado:

SECTION 1. In the constitution of the state of Colorado, **repeal and reenact** section 17 of article X as follows:

Section 17. Income Tax Sunset.

(1) THE STATE OF COLORADO SHALL NOT IMPOSE OR COLLECT A TAX UPON INCOME OF INDIVIDUALS, ESTATES, OR TRUSTS AFTER JANUARY 1, 2031.

(2) IN EACH TAX YEAR BEGINNING WITH TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2027, STATE INCOME TAXES ON INDIVIDUALS, TRUSTS, AND ESTATES SHALL BE REDUCED BY A MINIMUM OF ONE PERCENT UNTIL THE STATE INCOME TAX RATE FOR INDIVIDUALS, TRUSTS, AND ESTATES REACHES ZERO.

(3) THE GENERAL ASSEMBLY MAY LEVY INCOME TAXES ON ENTITIES OTHER THAN INDIVIDUALS, ESTATES, OR TRUSTS, EITHER GRADUATED OR PROPORTIONAL, OR BOTH GRADUATED AND PROPORTIONAL, FOR THE SUPPORT OF THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, OR FOR PUBLIC SCHOOLS, AND MAY, IN THE ADMINISTRATION OF AN INCOME TAX LAW, PROVIDE FOR SPECIAL CLASSIFIED OR LIMITED TAXATION OR THE EXEMPTION OF TANGIBLE AND INTANGIBLE PERSONAL PROPERTY.

SECTION 2. In Colorado Revised Statutes, 39-22-104, **amend** (1.7)(c); and **add**

(1.7)(d),(e),(f),(g), and (h) as follows:

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - report – tax preference performance statement - legislative declaration - definitions - repeal.

(1.7)(c) Except as otherwise provided in section 39-22-627, subject to subsection (2) of this section, with respect to taxable years commencing on or after January 1, 2022, BUT BEFORE JANUARY 1, 2027, a tax of four and forty one-hundredths percent is imposed on the federal taxable income, as determined pursuant to section 63 of the internal revenue code, of every individual, estate, and trust.

(d) SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2027, BUT BEFORE JANUARY 1, 2028, A TAX OF FOUR PERCENT IS IMPOSED ON THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST.

(e) SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2028, BUT BEFORE JANUARY 1, 2029, A TAX OF THREE PERCENT IS IMPOSED ON THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST.

(f) SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2029, BUT BEFORE JANUARY 1, 2030, A TAX OF TWO PERCENT IS IMPOSED ON THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST.

(g) SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2030, BUT BEFORE JANUARY 1, 2031, A TAX OF ONE PERCENT IS IMPOSED ON THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT TO SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY INDIVIDUAL, ESTATE, AND TRUST.

(h) EFFECTIVE JANUARY 1, 2031, NO TAX MAY BE IMPOSED ON THE INCOME OF ANY INDIVIDUAL, ESTATE, OR TRUST.

Income Tax Repeal [individuals, trusts, estates only]

SECTION 3. In Colorado Revised Statutes, **add** 39-22-131 as follows:

39-22-131. Repeal of part.

THIS PART 1 IS REPEALED, EFFECTIVE JANUARY 1, 2032.

SECTION 4. Effective Date.

This measure shall apply to all income generated on or after January 1, 2027.