



## Fiscal Summary

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

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**Measure:** Initiative 47 – INCOME TAX RATE

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## Fiscal Summary of Initiative 47

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at [leg.colorado.gov/bluebook](https://leg.colorado.gov/bluebook). This fiscal summary identifies the following impact.

### State Revenue

By reducing the state tax rate from 4.40 percent to 4.39 percent, the measure reduces General Fund revenue from income taxes by an estimated \$15.6 million in FY 2026-27 and \$32.2 million in FY 2027-28, with ongoing reductions in future years. The estimate for FY 2026-27 represents a half-year impact for tax year 2027.

### State Expenditures

The measure reduces the amount of state General Fund revenue available to spend or save beginning in FY 2026-27 and future fiscal years.

Based on current forecasts for FY 2026-27, the measure is expected to reduce the amount required to be refunded to taxpayers under TABOR, with no net impact on the amount available for the budget. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. To administer the tax rate change, the measure is expected to increase one-time General Fund expenditures for the Department of Revenue by \$10,000.

### Economic Impacts

Taxpayers will have more after-tax income available to spend or save, increasing their consumption of goods and services. Any overall change in economic activity will depend on the net economic impact of higher after-tax household and business income and reduced investment in public services.

# Initiative 47

## Taxpayer Impacts

Table 1 below shows the estimated decrease in state income tax owed for individual income taxpayers with different levels of adjusted gross income for tax year 2027, the first year in which the tax rate change under the bill is in effect.

**Initiative 47**  
**Change in Income Taxes Owed by Income Category (Tax Year 2027)**

<b>Income Categories*</b>	<b>Current Average Income Tax Owed</b>	<b>Proposed Average Income Tax Owed</b>	<b>Proposed Change in Average Income Tax Owed + or -</b>
\$25,000 or less	\$58	\$57	\$0
\$25,001 - \$50,000	\$758	\$756	-\$2
\$50,001 - \$100,000	\$1,897	\$1,893	-\$4
\$100,001 - \$200,000	\$4,137	\$4,127	-\$9
\$200,001 - \$500,000	\$9,248	\$9,227	-\$21
\$500,001 - \$1,000,000	\$18,028	\$17,987	-\$41
\$1,000,001 - \$2,000,000	\$26,419	\$26,539	-\$60
\$2,000,001 - \$5,000,000	\$40,671	\$40,579	-\$92

\*Adjusted Gross Income reported to the federal Internal Revenue Service.