

## **MOTION FOR REHEARING**

### **Proposed Initiative 2025–2026 #197**

**Submitted by: Natalie Menten, Colorado Eligible Elector**

Although this motion focuses on title clarity and TABOR refund impacts, I also preserve the position that Initiative #197 raises a single-subject concern related to the downstream effects of the spending directive and elimination of TABOR refunds.

### **I. INTRODUCTION**

I respectfully request rehearing on the titles set for Proposed Initiative 2025–2026 #197.

This measure is presented as being “without raising taxes,” but it would allow the State to keep and spend state sales tax revenue that would otherwise be subject to TABOR limits and potential TABOR refunds.

Voters deserve to be clearly informed, in the ballot title, that this is a “keep the revenue” measure that reduces or eliminates TABOR refunds that taxpayers would otherwise receive.

---

### **II. THE TITLE IS MISLEADING BECAUSE IT SUGGESTS “NO TAX INCREASE” WHILE THE MEASURE REMOVES TABOR REFUNDS**

The measure repeatedly emphasizes that it is “without raising taxes,” while still authorizing the State to retain and spend revenue above the limit. The fiscal note reflects this.

Even if the tax rate does not increase, the measure still changes the TABOR result for taxpayers by removing revenue from the normal TABOR refund process and allowing it to be retained and spent as a voter-approved revenue change beginning July 1, 2027.

**A title that highlights “without raising taxes” but does not plainly disclose that voters are authorizing the State to keep revenue that would otherwise be refunded is not a fair summary for the voters.**

---

### **III. THIS MATTERS BECAUSE TABOR REFUNDS TURN ON AND OFF — INCLUDING SALES TAX REFUNDS**

The Legislative Council Staff December 2025 Economic Forecast explains that TABOR refund mechanisms vary from year to year and can include six-tier sales tax refunds, which are expected to apply in certain tax years.

Based on the State’s own TABOR outlook, approximately **\$180 million in a single year** can represent **roughly a quarter to well over half** of the total TABOR refund owed in that year, depending on the forecasted refund obligation.

Because this measure moves a specific stream of sales tax revenue into an exempt category, it can materially change the TABOR refund posture and refund amounts that taxpayers would otherwise receive.

That impact should be transparent in the ballot title.

---

### **IV. THE MEASURE ALSO CREATES BUDGET PRESSURE THAT VOTERS WILL NOT SEE FROM THE CURRENT TITLE**

The December 2025 forecast explains that some property tax reimbursements tied to refund mechanisms can be paid either as a TABOR refund mechanism or out of General Fund revenue depending on whether the state is above or below the TABOR cap.

When measures remove or reclassify revenue as TABOR-exempt, that does not just change refunds — it can also shift budget pressure and tradeoffs. **That consequence is not clearly conveyed by the current title framing.**

---

## **V. REQUESTED RELIEF (MINIMUM FIX)**

For these reasons, I respectfully request rehearing and ask the Title Board to revise the title so it plainly informs voters that the measure:

**allows the State to keep and spend revenue that otherwise would be refunded to taxpayers under TABOR when refunds are due.**

This “otherwise required to refund” clarification is not limited to constitutional measures. The Title Board has used similar plain-language refund wording in titles for measures that amended state statute (Colorado Revised Statutes), including older Title Board precedents addressing revenue that otherwise would be refunded under the constitutional spending limit. The same level of voter-facing clarity is appropriate here because Initiative #197 is also a statutory measure and it similarly changes whether taxpayers receive TABOR refunds.

---

## **EXHIBIT INDEX (Attachments)**

**Exhibit A — Legislative Council Staff, December 2025 TABOR Outlook (excerpt pages addressing sales tax refunds and refund mechanisms).**

**Exhibit B — Title Set #63 (2021–2022)**

**Exhibit C — Title Set #106 (2021–2022)**

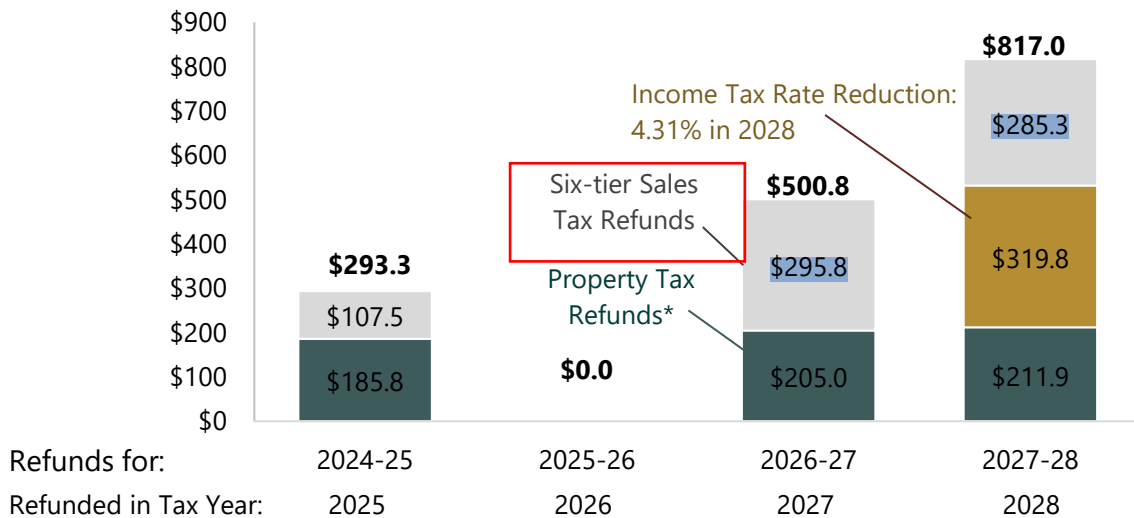
**— Exhibit Copies Follow – Highlighted for Emphasis —**

The **temporary income tax rate reduction** is expected to apply for tax year 2028 as the second TABOR refund mechanism after property tax refunds. The income tax rate will be reduced from 4.40 percent to 4.31 percent in tax year 2028, based on the expected amounts of the TABOR surplus remaining after property tax refunds in FY 2027-28.

This forecast anticipates that the income tax rate reduction mechanism will not be triggered in tax years 2025, 2026, or 2027. In subsequent years, the amount of the income tax rate reduction that is triggered depends on the amount of the TABOR surplus remaining after reimbursements to local governments for property tax exemptions.

The **six-tier sales tax refund mechanism** is expected to apply for tax years 2025, 2027 and 2028 with refund amounts based on taxpayer incomes, as average refunds per taxpayers are projected to exceed the \$15 threshold to trigger identical sales tax refunds. While SB 24-228 established a higher threshold for triggering identical sales tax refunds, that change is contingent upon an Internal Revenue Service ruling that has not yet been made. Hence, this forecast assumes the current law threshold remains at \$15 per person throughout the forecast period, pending further information. Table 9 on page 37 presents estimated six-tier sales tax refund amounts for tax years 2025, 2027, and 2028.

**Figure 5**  
**Expected TABOR Refunds and Refund Mechanisms**  
 Dollars in Millions



Source: Legislative Council Staff December 2025 forecast.

\*"Property tax refunds" includes the homestead exemption for seniors, veterans, and Gold Star Spouses, and, for FY 2024-25, property tax reimbursements to local governments under SB 24-111.

Refunds made via property tax reductions reduce obligations that would otherwise be paid from General Fund revenue. Refunds made via the income tax rate reduction or sales tax refunds are paid to taxpayers when they file their state income tax returns. TABOR refund mechanisms are accounted for as an offset against the amount of surplus revenue restricted to pay TABOR refunds, rather than as a revenue reduction. Therefore, the General Fund revenue forecast does not incorporate downward adjustments as a result of refund mechanisms being activated.

**Table 9**  
**Projected TABOR Refunds via the Six-Tier or Identical Sales Tax Refund Mechanisms**  
**Tax Year 2025** Refunds from FY 2024-25 TABOR Refund Obligation

<b>Taxpayer Distribution by AGI</b>	<b>Single Filers</b>	<b>Joint Filers</b>
up to \$54,000	\$19	\$38
\$54,001 to \$110,000	\$25	\$50
\$110,001 to \$176,000	\$29	\$58
\$176,001 to \$250,000	\$35	\$70
\$250,001 to \$329,000	\$37	\$74
\$329,001 and up	\$59	\$118

**Tax Year 2026** Refunds from FY 2025-26 TABOR Refund Obligation

<b>Taxpayer Distribution by AGI</b>	<b>Single Filers</b>	<b>Joint Filers</b>
up to \$56,000	\$0	\$0
\$56,001 to \$114,000	\$0	\$0
\$114,001 to \$182,000	\$0	\$0
\$182,001 to \$257,000	\$0	\$0
\$257,001 to \$339,000	\$0	\$0
\$339,001 and up	\$0	\$0

**Tax Year 2027** Refunds from FY 2026-27 TABOR Refund Obligation

<b>Taxpayer Distribution by AGI</b>	<b>Single Filers</b>	<b>Joint Filers</b>
up to \$57,000	\$49	\$98
\$57,001 to \$117,000	\$66	\$132
\$117,001 to \$186,000	\$76	\$152
\$186,001 to \$263,000	\$90	\$180
\$263,001 to \$347,000	\$97	\$194
\$347,001 and up	\$155	\$310

**Tax Year 2028** Refunds from FY 2027-28 TABOR Refund Obligation

<b>Taxpayer Distribution by AGI</b>	<b>Single Filers</b>	<b>Joint Filers</b>
up to \$58,000	\$47	\$94
\$58,001 to \$119,000	\$63	\$126
\$119,001 to \$191,000	\$72	\$144
\$191,001 to \$270,000	\$86	\$172
\$270,001 to \$356,000	\$93	\$186
\$356,001 and up	\$149	\$298

AGI = Adjusted gross income.

Note: Amounts do not include estimates for reimbursements to local governments for property tax exemptions or for income tax rate reductions.

# Results for Proposed Initiative #63

## Ballot Title Setting Board 2021-2022

The title as designated and fixed by the Board is as follows:

A change to the Colorado Revised Statutes concerning additional funding for preschool through twelfth-grade public education, and, in connection therewith, without raising the existing state income tax rate, requiring revenue collected by the state from one-third of one percent of all federal taxable income of every individual, estate, trust, and corporation, as modified by law, to be deposited in the state education fund; allowing the additional revenue to be from revenue that the state or a local school district is otherwise required to refund to taxpayers in years in which a refund is due; requiring the additional revenue to be used for attracting, retaining, and compensating teachers and student support professionals; specifying appropriations of the additional revenue do not supplant existing appropriations for public education; and requiring an annual report describing the allocation of the additional revenue.

The ballot title and submission clause as designated and fixed by the Board is as follows:

Shall there be a change to the Colorado Revised Statutes concerning additional funding for preschool through twelfth-grade public education, and, in connection therewith, without raising the existing state income tax rate, requiring revenue collected by the state from one-third of one percent of all federal taxable income of every individual, estate, trust, and corporation, as modified by law, to be deposited in the state education fund; allowing the additional revenue to be from revenue that the state or a local school district is otherwise required to refund to taxpayers in years in which a refund is due; requiring the additional revenue to be used for attracting, retaining, and compensating teachers and student support professionals; specifying appropriations of the additional revenue do not supplant existing appropriations for public education; and requiring an annual report describing the allocation of the additional revenue?

### Hearing March 16, 2022

Single subject approved; staff draft amended; titles set.  
Board members: Hilary Rudy, David Powell, Ed DeCecco  
Hearing adjourned 12:05 PM.

### Rehearing April 6, 2022

Motion for Rehearing: granted only to the extent that the Board made changes to the titles  
. Board Members: Theresa Conley, David Powell, Ed DeCecco  
Hearing adjourned: 10:50 A.M.

*\* Unofficially captioned "Additional Dedicated Revenue to the State Education Fund" by legislative staff for tracking purposes. This caption is not part of the titles set by the Board.*



Colorado  
Secretary of State  
Jena Griswold

[Menu](#) [Bingo](#) [Business](#) [Charities](#) [Elections](#) [Notary](#) [Search](#)

## Results for Proposed Initiative #106

### Ballot Title Setting Board 2021-2022

The title as designated and fixed by the Board is as follows:

A change to the Colorado Revised Statutes concerning funding to increase affordable housing, and, in connection therewith, establishing an annual fee upon an owner of residential real property, that is equal to 1.1% of the appraised actual value of the real property that exceeds \$2 million, adjusted for inflation; requiring the fee revenue to be deposited in the Colorado affordable housing fund; allowing the state to transfer additional revenue to the fund; providing that any additional transferred amount may be from revenue the state is otherwise required to refund to taxpayers; and requiring the revenue in the fund to be allocated to local governments to address affordable housing shortages in the state.

The ballot title and submission clause as designated and fixed by the Board is as follows:

Shall there be a change to the Colorado Revised Statutes concerning funding to increase affordable housing, and, in connection therewith, establishing an annual fee upon an owner of residential real property, that is equal to 1.1% of the appraised actual value of the real property that exceeds \$2 million, adjusted for inflation; requiring the fee revenue to be deposited in the Colorado affordable housing fund; allowing the state to transfer additional revenue to the fund; providing that any additional transferred amount may be from revenue the state is otherwise required to refund to taxpayers; and requiring the revenue in the fund to be allocated to local governments to address affordable housing shortages in the state?

### Hearing April 21, 2022

Single subject approved (2-1, DeCecco dissented); staff draft amended; title set.  
Board members: Theresa Conley, Ed DeCecco, Kurt Morrison  
Hearing adjourned: 7:49 PM.

*\* Unofficially captioned "New Fee Assessment on Luxury Residential Real Property" by legislative staff for tracking purposes. This caption is not part of the titles set by the Board.*

— End of Document —