TALKING POINTS FROM BUSINESS PERSPECTIVE

Amendment 87

- **Faced with rising insurance premiums, energy prices and supply costs, Colorado small businesses cannot afford another tax hike.** Over 90% of small and local businesses could be hit with a tax increase under this amendment, including the mom-and-pop restaurant owner, the farmer who has worked his land for a generation, and the entrepreneur with a new idea.
- **Colorado should be competing for businesses, not taxing them into leaving.** The state has been losing companies for years. Since 2019, 98 firms and 13,607 known jobs were lost to relocation or lost opportunities. At a time when employers have multiple options, higher taxes make it harder to keep jobs, investment, and opportunity here.
- **This is the largest tax increase on Colorado small and local businesses in state history.** This massive new tax risks the future of Colorado restaurants, farms, ranches, breweries, coffee shops, ski shops, dry cleaners, auto repair shops, hair salons, and every other company on Main Street. This amendment will only make it more expensive to operate, grow, and create jobs in our state.
- **Coloradans have heard big tax promises before.** Coloradans were told marijuana taxes would fund public schools and they did not. We cannot trust this tax increase will address the state's problems.
- **This amendment is an end-run around the Taxpayer Bill of Rights,** removing constitutional protections for taxpayers that have been in place for over 30 years. It will provide a blank check to the legislature for more wasteful government spending and politicians' pet projects.
- **This isn't the right time**. Colorado voters and small businesses are already struggling with the cost of living, but in November, we will vote on multiple measures costing us even more by increasing taxes by billions of dollars, including measures to take away TABOR refunds and increase sales taxes, property taxes and income taxes. This is just not the right time to pass yet another tax increase.
- **This is not real tax reform.** Raising taxes on Colorado businesses will not solve income inequality. If the goal is a fairer tax system, Congress, not Colorado job creators, needs to close federal loopholes and fix the system where the biggest inequities exist.
- **There are no guardrails**. Supporters say this amendment only affects the wealthy, but that is not how tax increases stay contained. Once constitutional taxpayer protections are removed, legislators can change tax brackets, and inflation can pull more middle-class families and small and local businesses into paying higher rates over time.
- **Coloradans are already stretched by the cost of living.** Now voters are being asked to consider multiple measures that could raise taxes by billions and make everyday life even more expensive.

- **Colorado is competing with other states for employers, entrepreneurs, and investment**. Policies that increase costs and uncertainty put our state at a competitive disadvantage.

Sources for Reporters

Study: Making a Tax Code More Progressive Hurts Economic Growth, AEI

Income tax progressivity has a significant negative effect on the current year's growth rate, after controlling for the average tax rate and state/year fixed effects. Although these regressions do not prove causality, these findings do support the idea that there is a tradeoff between economic growth and egalitarian redistribution.

The Colorado Chamber Foundation 2025 Relocations Tracker

- *Since 2019, the Chamber found reports of 98 company relocations or lost opportunities from Colorado to other states – 27 of those were last year alone.*
- *When jobs data was available, the report directly links over 13,600 lost Colorado jobs to these company decisions.*
- *In an analysis of federal SEC filings, the report found that since 2022, Colorado has experienced a net loss of 34 public company headquarters (which includes a total gain of 36 headquarters, but a loss of 70 in that same period).*

How Initiative #195's Progressive Tax Structure Would Affect Colorado's Economy, CSI

- *Initiative 195 would cause the state to lose wealth, reduce economic activity, and shrink local tax bases.*

Colorado Progressives Hike the Tax Slope. WSJ

- *Because small businesses typically pay tax at individual rates on pass-through income, many would see sharp increases. A family farm that has a good year would be punished with a higher tax bill.*
- *Colorado's top rate would rank by far the highest in its neighborhood, which includes Wyoming (no income tax), Arizona (2.5%), Utah (4.45%), Oklahoma (4.5%), Nebraska (4.55%), Kansas (5.58%) and New Mexico (5.9%)*
- *[H]story shows that once a progressive tax system is in place, spending keeps rising as revenue does and rates follow. Democratic Gov. Jared Polis, who can't run for re-election this year, has said a graduated income tax would be "absolutely devastating" to Colorado's economy. He's right. But it would be great for Utah's economy.*