

Colorado Economist Addresses Brunori's Remarks Regarding Amendment 66

Dear Editor:

Coloradans have an opportunity to boost the state's economic prospects by providing more resources to the state's public schools. Amendment 66 is on the ballot next month and would generate \$950 million annually by changing the state income tax from a single-rate system to a two-rate system.

A recent *State Tax Notes* column had a very negative take on this measure. And while columnists are entitled to have their opinions, the record needs to be set straight on some important issues. (See David Brunori, "Oh, to Be Wyoming," *State Tax Notes*, Oct. 21, 2013, p. 187.)

For one thing, support for this measure comes from a far broader group of people than teachers and a few politicians. Lots of individuals and organizations with no personal financial stake in school funding are working hard for its passage. For example, more than 135 business owners and CEOs have committed to Colorado kids by endorsing Amendment 66. The growing list includes leaders in real estate, telecom, investing, law, health, media, recreation, manufacturing, the nonprofit sector, and more who understand that Colorado's future depends on a highly skilled workforce.

Nor is it a mystery as to how the new money would be spent. All of it would be locked into a state education achievement fund, of which \$165 million is for full-day kindergarten, \$77 million for preschool, and most of the rest would be used for such purposes as providing better education for gifted students, special education, and at-risk students. Supporters of Amendment 66 are working hard to promote general understanding, not just to be open, but also because it's such a good story to tell.

One more point needs explaining. While the actual tax rate would increase for all Coloradans, the

lowest-income residents of our state would not pay more because of allowable tax deductions and exemptions, as well as the state's new earned income tax credit, set to be enacted in the next few years. In other words, any tax increase would be wiped out for working-poor households with children and working married couples below the poverty level.

Look at it this way: A waitress earning \$30,000 a year would pay less than \$1 a week in extra taxes, but today she ends up paying more than that out of pocket in fees for her child to have art classes, or play soccer, or take the advanced placement physics test. That's one of the problems Amendment 66 sets out to fix.

Coloradans pitching in to increase the tax dollars supporting schools actually will help reduce the number of families in poverty by providing full-day kindergarten and preschool. It's interesting to note that poverty rates of families with children tend to suddenly drop once their children turn 6 — that is, when they start school. Then parents no longer have to make the difficult choice of whether to work — and pay a large chunk of their paycheck in child care — or stay home.

Amendment 66 is a big investment in Colorado's kids and its economy. Ours is a low-tax state and it still will be compared to others if the amendment passes. What will change is the level of opportunity the state will offer. That's why business people, parents, and members of both political parties are lining up behind it.

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