

TABOR
(Taxpayer's Bill of Rights)
Article X, Section 20
Colorado Constitution

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TABOR Limits Government Revenue

- TABOR limits the amount of revenue which a government may receive in any year even though it is phrased as a limit on fiscal year spending
- The limit for most local governments is the amount of revenue collected in the prior year adjusted for inflation plus local growth
- School districts are adjusted for enrollment growth plus inflation

TABOR Revenue Exceptions

- Enterprises
- Voter Approved Revenue Changes
- Emergency Tax Revenues
- Refunds
- Gifts/Donations
- Federal Funds
- Pension Contributions
- Reserve Transfers or Expenditures
- Damage Awards
- Property Sales
- Lottery Receipts
- Collections From Another Government

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TABOR Limits Government Property Tax Revenue

- TABOR also limits the amount of property tax revenue which a government may receive in any year
- The limit for most local governments is the amount of revenue collected in the prior year adjusted for inflation plus local growth
- School districts are adjusted for enrollment growth plus inflation

Ratchet Effect

- Ratchet Effect
 - Because TABOR looks at last year's revenues if revenues decline due to a recession the government cannot return to the pre-recession expenditures without voter approval

Can Vote Out of Revenue Limits

- TABOR allows a government to ask voters if it may keep excess revenue
 - It does not allow voters to exempt the government from all of TABOR's provisions
 - Success of local debrucing elections has muted the issues around TABOR refunds at the local level
 - 174 of 178 school districts are debruced
 - 87% of debrucings have passed at the municipal level

TABOR Refunds

- Any Reasonable Method
- Need not be proportional
- Need not track down actual taxpayer
- Strict compliance is required
- Refund can be from a particular tax even though revenues are from a variety of sources

TABOR Refunds Methods

- Temporary tax rate reduction
 - Sales tax holiday
- Temporary property tax credit or mill levy rate reduction
 - Section 39-1-111.5, C.R.S.
- Refund checks
- Allowing citizens to claim refund-those who don't make a gift

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TABOR Refund Methods

- Free municipal services
- Reduction in government owned utility bills
- Xcel Energy bill reduction

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