

What is the Taxpayer's Bill of Rights (TABOR)?

TABOR, or the Taxpayer's Bill of Rights, is a Colorado constitutional amendment that was passed at the ballot in 1992, which significantly constrains the state's ability to raise and spend tax revenue. It is the **most restrictive fiscal policy of its kind in the country**. TABOR has four main provisions:



1. TABOR removes the ability of state and local governments to raise revenue.

TABOR mandates that any new tax or debt, tax or debt increase, or tax policy change that results in net new revenue must be approved by voters in a state referendum, or ballot measure. State legislators and local governments do not have the ability to raise tax rates or enact policy that would increase taxes.

2. TABOR limits how much revenue the state can keep.



TABOR sets a limit on the amount of revenue the state government can collect and spend in any given fiscal year, also called the TABOR cap. This limit is tied to a formula based on population growth and inflation, and any revenue collected above this limit must be returned to taxpayers. These limits apply both at the state and local level, though most localities have voted to waive their caps in perpetuity.



3. TABOR limits the types of tax options Colorado can have.

TABOR dictates what kinds of taxes may be used to raise revenue in Colorado. It mandates a single-rate income tax and prohibits graduated income taxes, a statewide property tax, and new or increased real estate transfer taxes. This makes it difficult for Colorado to institute popular policies like graduated income taxes, higher taxes on capital gains income, or higher taxes on the wealthiest corporations.

4. TABOR sets election provisions.



TABOR elections can occur in both odd and even years whereas non-TABOR-related elections can only occur in even years. A tax increase ballot measure must begin with "SHALL TAXES BE RAISED BY..." followed by a dollar estimate of how much revenue a new tax or tax increase will raise in the first year. If first year's revenue exceeds the estimate, voters must decide on the following year's ballot whether or not to return any revenue above the initial estimate to the taxpayer.