



Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

INITIATIVE 232: INCOME TAX RATE CAP

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Summary Information

Overview. The measure caps the state income tax rate at the current law rate of 4.40 percent.

No fiscal impact. The bill has no fiscal impact on state or local government.

Disclaimer. This initial fiscal impact statement has been prepared for an initiative approved for petition circulation by the Secretary of State. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the ballot information booklet (Blue Book) if new information becomes available. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters.

Table 1
State Fiscal Impacts

Type of Impact¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Measure

The measure caps the individual and corporate income tax rates at the current law rate of 4.40 percent starting in tax year 2027.

Assessment of No Fiscal Impact

The bill caps the state income tax rate at the current 4.40 percent rate. This results in no change to state or local government revenue or expenditures. For this reason, the bill is assessed as having no fiscal impact.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Revenue