

Proposition MM: Increase State Taxes for the Healthy School Meals for All Program

Placed on the ballot by the legislature • Passes with a majority vote

Proposition MM, if approved, would:

- increase state income taxes paid by households earning \$300,000 or more annually; and
- use the new tax revenue to increase funding for the Healthy School Meals for All Program in order to continue providing free meals for all K-12 public school students in Colorado, rather than restricting eligibility to only low-income students and schools.

What Your Vote Means

YES

A “yes” vote on Proposition MM increases state income taxes for households earning \$300,000 or more annually. The increased tax revenue will be used to continue universal free meals for all public school students and to fund grant programs previously approved by voters that have not yet been implemented.

NO

A “no” vote on Proposition MM means that there will be no changes to state income taxes and free meals will be limited to low-income students and schools.

Summary and Analysis of Proposition MM

What is the Healthy School Meals for All Program and how is it funded?

Please refer to Proposition LL for an overview of the Healthy School Meals for All Program.

What does Proposition MM do?

Beginning in tax year 2026, Proposition MM raises an additional \$95 million for the Healthy School Meals for All Program by increasing income taxes on households earning \$300,000 or more annually. This will impact an estimated 200,000 individual and joint filers, or about 6 percent of tax returns filed in Colorado.

The additional tax revenue raised under Proposition MM will fund reimbursements to school meal providers to continue providing free school meals to all students. It will also fund increases in wages and stipends for school meal workers and grants for local food purchasing and related technical assistance. The measure specifies how much money goes to the grant and wage programs, based on the funding available after the program provides meal reimbursements and covers administrative costs.

How does Proposition MM raise income taxes?

Currently, households that make \$300,000 or more annually in federal adjusted gross income are required to add back a portion of their federal standard or itemized deduction when calculating their Colorado taxable income. The deductions are limited to \$12,000 for single filers and \$16,000 for joint filers when calculating Colorado taxable income. Proposition MM reduces the deduction limits to \$1,000 for single filers and \$2,000 for joint filers.

For example, if a married couple filing jointly earn \$300,000 or more annually and claim the standard deduction of \$21,900 on their federal income taxes, the deduction limit of \$16,000 requires that they add back \$5,900 to their state taxable income, which increases their state income taxes owed by \$260. This additional tax is credited to the Healthy School Meals for All Program.

Under Proposition MM, the new \$2,000 deduction limit would require these taxpayers to add back an additional \$14,000, and they would pay an additional \$616 in state income taxes above the current Proposition FF tax, resulting in a total of \$876 in tax revenue going to the program.

Table 1 below illustrates the change in deduction limit and taxes owed under the measure.

Table 1
Deduction Limits under Proposition MM

Household Income	Deduction Limit Under Current Law	Deduction Limit Under Prop. MM	Change in Average Income Tax Owed
\$299,999 or less	none	none	\$0
\$300,000 or more Single Filer	\$12,000	\$1,000	\$XXX
\$300,000 or more Joint Filer	\$16,000	\$2,000	\$XXX

Why is Proposition MM on the ballot?

The state legislature referred Proposition MM to voters through House Bill 25-1274. In the first two years of implementation of the Healthy School Meals for All Program, the revenue generated has gone towards school meal reimbursements but has not been enough to fully cover the cost of meals served. Costs exceeded original estimates primarily because more students participated in the free meal program than projected. The state also experienced higher inflation than expected over the past several years.

The legislature has filled in the gap between revenue and program costs with other funding sources and has delayed implementation of some program components, including funding for school meal worker wages and stipends, and grants for purchasing local foods and related technical assistance. The additional tax revenue sought through Proposition MM will be used to fill the program's funding gap and fully implement the program's components.

What happens if Proposition MM does not pass?

Under a bill passed by the state legislature (Senate Bill 25-214), if Proposition MM fails, the Healthy School Meals for All Program will be limited to operating within its existing revenue. Beginning in January 2026, free school meals would only be provided to students who qualify under the National School Lunch Program, and for all students at schools with a high percentage of low-income students. The bill also specifies that, even if voters pass Proposition MM, school meal reimbursements may still decrease if there is not enough funding for the program.

How does Proposition MM interact with Proposition LL?

Table 2 and Table 3 show the impacts of Proposition MM depending on the outcome of Proposition LL.

Table 2
Impact of Proposition MM Passing

	Prop. LL and Prop. MM Both Pass	Prop. LL Fails and Prop. MM Passes
Deduction Limits for households earning \$300,000 or more annually	Single filer: \$1,000 Joint filer: \$2,000	Single filer: \$1,000 Joint filer: \$2,000
Revenue Impact	The state will keep \$12.4 million in revenue already collected. Up to \$95 million in new tax revenue, paid by taxpayers earning \$300,000 or more annually, will be available for the program.	The state will refund \$12.4 million in revenue already collected to taxpayers earning \$300,000 or more annually. Up to \$95 million in new tax revenue, paid by taxpayers earning \$300,000 or more annually, will be available for the program.
Use of Funds	Free school meals will continue to be provided for all public school students. Grant programs for school meal providers will be funded.	Free school meals will continue to be provided for all public school students. Grant programs for school meal providers will be funded.

Table 3
Impact of Proposition MM Failing

	Prop. LL Passes and Prop. MM Fails	Both Prop. LL and Prop. MM Fail
Deduction Limits for households earning \$300,000 or more annually	No change from current law: Single filer: \$12,000 Joint filer: \$16,000	The Department of Revenue will raise deduction limits so that taxes paid decrease to align with the estimate in the 2022 Blue Book.
Revenue Impact	The state will keep \$12.4 million in revenue already collected and spend it on the program. No new revenue will be collected.	The state will refund \$12.4 million in revenue already collected to taxpayers earning \$300,000 or more annually. No new revenue will be collected.
Use of Funds	Free school lunches will only be provided to all students in low-income schools, and only to eligible low-income students at all other schools. The state must spend at least \$1 million for local food purchasing and technical assistance for school meal providers.	Free school lunches will only be provided to all students in low-income schools, and only to eligible low-income students at all other schools. Grant programs for school meal providers will not be funded unless revenue or other state funding is available.

For information on those issue committees that support or oppose the measures on the ballot at the November 4, 2025, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<https://coloradosos.gov/pubs/elections/Initiatives/InitiativesHome.html>

Arguments For Proposition MM

- 1) Proposition MM fulfills the will of the voters by providing sufficient funding to ensure that free school meals are available for all Colorado students. It also increases funding to provide students with locally sourced, healthy food and improves compensation for school meal workers in Colorado communities.
- 2) The Healthy School Meals for All Program has been more heavily utilized than anticipated, demonstrating the strong need for it and the importance of a truly universal free school meal program. Access to free school meals improves academic and health outcomes and helps families at a time when food costs are rising.

Arguments Against Proposition MM

- 1) Proposition MM gives more taxpayer money to a program that provides food to kids who do not need it or eat it, resulting in significant financial and food waste. If the existing program cannot fully fund its promises to voters, the state should live within its means and target the free school meals program to students who need it most.
- 2) Proposition MM is a tax increase. For some households, this would more than double the amount they have to pay towards the program, a significant additional expense. The state should not be raising taxes on any households during a time of economic uncertainty.

Fiscal Impact of Proposition MM

The fiscal impact will be included in the second draft.