



AMENDMENT 87

Graduated Income Tax

My recommendation: VOTE YES

Why I support Amendment 87

Colorado's Taxpayer's Bill of Rights was well intentioned. It was designed to restrain government growth and give voters a direct say over taxes and spending. But its rigid limits have also made it harder for Colorado to respond when circumstances change - including massive federal cuts to healthcare and other essential services that have long been factored into the state budget. Even when Colorado's economy grows and produces additional revenue, TABOR can prevent the state from using that money to protect services Coloradans expect and depend upon.

A graduated income tax is fairer to working families because it asks those who have benefited most from Colorado's economy to contribute more while reducing taxes for the great majority of taxpayers. It would also provide dependable funding for public schools, affordable healthcare, and childcare - the services working families need to build successful lives and give their children a genuine opportunity to succeed.

This proposal directly supports my commitment to put working families first and fully fund our K-12 public schools. Families in Colorado Springs School District 11 and Academy School District 20 deserve excellent neighborhood schools, well-qualified teachers, manageable class sizes, and strong career and technical education opportunities.

What it would do

Beginning in tax year 2027, Amendment 87 would replace Colorado's current 4.4% flat income-tax rate with graduated rates. These are marginal rates: each rate applies only to the portion of taxable income within that bracket, not to every dollar a taxpayer earns.

Taxable income	Rate on income in that bracket
Up to \$25,000	3.7%
\$25,001-\$100,000	4.2%
\$100,001-\$500,000	4.4%
\$500,001-\$750,000	7.4%
\$750,001-\$1 million	7.9%
More than \$1 million	8.4%

The same brackets would apply to corporations. Owners of pass-through businesses would generally experience the change through their individual income-tax returns. Taxable gains from the sale of a principal residence would remain subject to the 4.4% rate.

Additional revenue would be deposited in the Colorado Future's Account and restricted to K-12 education, healthcare, and early childhood education and care. The measure also requires annual public reporting and an independent state audit.

Evidence and experience elsewhere

Graduated income taxes are a well-established approach used by the federal government and many states. Massachusetts provides a recent example of voters approving a higher rate on very high incomes. Its additional 4% tax on annual taxable income above approximately \$1 million took effect in 2023 and has since generated billions of dollars for education and transportation investments.

No comparison is exact. Colorado's proposal begins imposing higher marginal rates at \$500,000, applies the schedule to corporations, and directs revenue to education, healthcare, and childcare. The Massachusetts experience demonstrates that a voter-approved tax on very high incomes can generate substantial revenue for designated public services, but Colorado's economic and behavioral effects may differ.

What it would cost

The state's nonpartisan fiscal analysis estimates that Amendment 87 would generate approximately \$963 million during its first half-year and approximately \$1.98 billion in fiscal year 2027-28. Because forecasts can vary, the ballot title identifies a possible annual increase of as much as \$2.7 billion.

State implementation costs are estimated at approximately \$98,000 in fiscal year 2027-28 and \$27,600 annually thereafter for tax forms, computer systems, research, and reporting.

Adjusted gross income	Estimated average change
\$25,000 or less	\$9 reduction
\$25,001-\$50,000	\$119 reduction
\$50,001-\$100,000	\$210 reduction
\$100,001-\$200,000	\$298 reduction
\$200,001-\$500,000	\$325 reduction
\$500,001-\$1 million	\$325 reduction
\$1 million-\$2 million	\$4,764 increase
\$2 million-\$5 million	\$13,914 increase

These figures are averages, not guarantees. A household's result would depend on taxable income, deductions, filing status, and sources of income. Most small businesses with less than \$500,000 in taxable income would benefit from the lower rates on the first \$100,000 and would pay no higher rate on income between \$100,000 and \$500,000. Businesses and individuals with taxable income above \$500,000 would pay higher marginal rates on income above that threshold.

Sources

- Colorado Secretary of State, Amendment 87 ballot title and final initiative text: <https://www.sos.state.co.us/pubs/elections/Initiatives/ballot/contacts/2026.html>
- Colorado Legislative Council Staff, Initiative 195 Fiscal Impact Statement, March 9, 2026: <https://leg.colorado.gov/initiatives/graduated-income-tax-195>
- Commonwealth of Massachusetts, Delivering on Fair Share impact report: <https://www.mass.gov/info-details/delivering-on-fair-share-impact-report>