



## 2009 GUIDELINES ON TAXATION

### Background

1. The Grand Junction Area Chamber of Commerce believes that a balanced tax policy is vital to the economic health of Colorado, in general, and Mesa County in particular.
2. In 1982, Colorado voters passed a constitutional amendment regarding property taxes referred to as the Gallagher Amendment. This created a gross inequity in the Colorado property tax system caused by the disparity between the tax rates for commercial, industrial, non-agriculture property and residential properties.
3. In 1990, legislators passed spending limits legislation referred to as the Arveschoug-Bird Amendment.
4. In 1992, Colorado voters passed a constitutional Amendment limiting revenue and expenditures referred to as the TABOR Amendment.
5. In 2000 Colorado voters passed a constitutional amendment referred to as Amendment 23 to increase spending for K-12 education.
6. In 2005 Colorado voters passed Referendum C, which created a five-year time-out on TABOR requirements.
7. Together, these major pieces of legislation combined with over forty years of other uncoordinated tax changes have had major implications on the way taxes are assessed in the State of Colorado as well as on state and local government budgeting processes.

### The Chamber Supports:

1. A long-term goal of a complete overhaul of the state's tax system.
2. Efforts to resolve the Constitutional conflicts created by the interaction of the TABOR Amendment, the Gallagher Amendment and Amendment 23.
3. Changes to property taxes that will reestablish fair, logical and equitable property taxes throughout Colorado. Changes to the state's property tax system should not transfer revenue responsibility from the local to the state level as this could result in a loss of local control.

4. Individual tax policies that have a beneficial outcome on Colorado's economic stability and development.
5. Action to simplify, clarify and hopefully restore citizens' understanding of and confidence in Colorado's taxing structure.
6. The repeal or significant modifications of the Gallagher Amendment.
7. Tax policies that make Mesa County more competitive in the global marketplace, encourage economic development, and enhance the local business climate.
8. Achieving a balanced federal budget.
9. The legislative repeal of the mill levy freeze included in SB07-199.

**The Chamber Opposes:**

1. Tax Policies that have a negative impact on the State and local governments' credit ratings.
2. Any legislation/regulation imposing a tax on service businesses including any shift of tax burden to the local level.
3. Any bonded indebtedness that allows revenues to be used for general fund appropriations or to pay the cost of any governments' day-to-day operations.
4. Any effort to redirect severance tax revenue away from communities impacted by energy development.

**The Chamber Will:**

1. Continue to monitor and study developments in the taxation of "e-commerce" and work to ensure that whatever solution is accepted will not negatively impact state and local businesses.
2. Closely monitor any recommendation or legislation for removing school finance from property taxes.
3. Take an active role in developing potential solutions to the Constitutional conflicts created by the interaction of the TABOR Amendment, the Gallagher Amendment and Amendment 23.
4. Closely monitor any proposal for new funding mechanisms for meeting our highway maintenance and construction needs to determine their impact on business and the State's economy.