



INDEPENDENCE  
INSTITUTE.ORG

ISSUE BRIEF

# EVALUATING GOV. POLIS'S TAX REFORM AGENDA

FISCAL POLICY CENTER • JANUARY 2024

Since campaigning for governor in 2018, Jared Polis has consistently advocated for a tax reform agenda in Colorado that does two things:

1. eliminates \$1.6 billion in annual tax breaks for special interests and
2. uses the Taxpayer's Bill of Rights (TABOR) surplus to lower income tax rates for everyone.

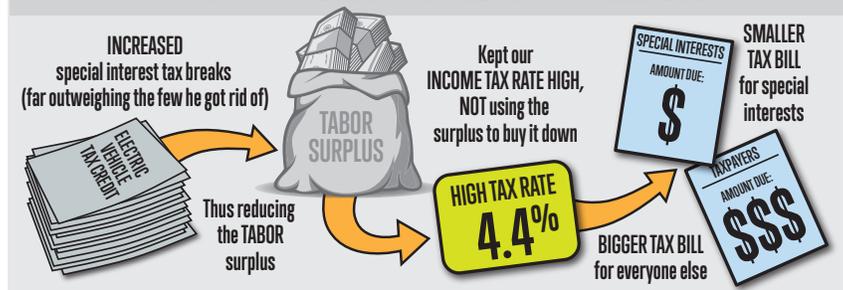
He claims to have made progress, but the facts and data do not bear that out. Independence Institute's report, *Colorado Tax Expenditure Modification, 2023: Special Interest Tax Benefits vs. Broad-based Tax Relief*, found:

- **Colorado is projected to over-collect taxes by \$1.79 billion in the upcoming fiscal year (FY2024-25).** To prevent this, the state could reduce the income tax rate from 4.4% to 3.82%, saving the average tax filer \$510 annually.
- **Gov. Polis advocates for further reducing the income tax rate by eliminating tax benefits for special interests.** In his 2020 State of the State Address, for example, he said, "I am enthusiastic about working to deliver permanent income tax relief, and we should continue down the path of eliminating tax breaks for special interests so that we can lower rates for everyone without reducing state revenue."
- **During Polis's tenure as governor, he and the legislature have increased special interest tax benefits on net,** resulting in a \$200 million smaller surplus for FY2024-25.
- By fully implementing the tax reform agenda Jared Polis proposed on the campaign trail and as governor, **Colorado could lower its income tax rate to 3.25% without impacting state spending.** This amounts to an annual tax savings of over \$1,000 per income tax filer.
- **To execute Governor Polis's stated tax reform agenda, lawmakers would need to eliminate \$1.8 billion in special interest tax giveaways** for FY2024-25, using the proceeds and the current \$1.79 billion TABOR surplus to lower the income tax rate.

## WHAT GOVERNOR POLIS SAID HE WOULD DO



## WHAT GOVERNOR POLIS ACTUALLY DID



Unfortunately, Polis has made no progress in advancing either part of his tax reform agenda through the legislature, neither reducing special interest tax benefits on net nor cutting the income tax rate using TABOR surpluses. On the contrary, his policies have increased special interest tax benefits on net, diminishing the state's ability to cut taxes for all Coloradans.



Scan to read  
the study