



March 22, 2005

An Open Letter to the Colorado Legislature: Reject Unnecessary Five-Year Cash Grab by State Government

Dear Legislator:

On behalf of the more than 6,800 members of the National Taxpayers Union (NTU) in Colorado, I urge you to oppose the so-called Colorado Economic Recovery Act. Under this plan, if voters approve it at the polls in November, a five-year “timeout” from amendment one’s revenue limits will begin, thus allowing the state to spend whatever money existing taxes bring in. This is an unnecessary step and represents an overly aggressive approach by Colorado’s elected officials. Worse, since this plan fails to address the very real problems associated with Amendment 23, voters will be justified in defeating it in November.

Opponents of the Taxpayer’s Bill of Rights claim that its limitations on revenue and taxes are “draconian” and that it harms not only education, but also the very health of Colorado’s citizens. These claims are patently false in part because spending is not an effective measure of the efficacy of Colorado’s schools. In fact, although the state ranks 47th in K-12 funding as a share of income, its students have the 19th highest average SAT scores in the nation. Clearly, education spending alone does not determine educational success.

Regarding the issue of the health of Coloradoans, critics of the Taxpayers Bill of Rights frequently cite data that the state’s ranking on access to prenatal care has dropped since 1990. Although a variety of factors may have caused this decline, there is no reason to believe that limiting government spending has harmed Colorado’s health. In fact, the United Health Foundation ranked Colorado as the 13th healthiest state in 2004 – a better ranking than the state received in 1990 – and the study praised all other facets of the state’s health care system. Results of this study can be accessed at www.unitedhealthfoundation.org.

Despite the relative constraint placed on Colorado due to the presence of a Taxpayer’s Bill of Rights, there is still plenty of wasteful and unnecessary spending to cut. In fact, the Reason Foundation found in its recent study “Priority Colorado: Balancing the Budget While Preserving TABOR and Colorado’s Quality of Life” that as much as \$615 million in savings can still be had in Colorado’s budget – at little or no cost to Colorado’s quality of life. Rather than asking for more money from citizens, the Legislature should be carefully analyzing the budget to find these savings.

Although proponents of the Colorado Economic Recovery Act will point to the fact that by 2011 Colorado’s income tax rate will be cut from the current 4.63 percent to 4.5 percent, this is little consolation for taxpayers who will see their refunds used to underwrite bigger government for the next five years. NTU urges you to go “back to the drawing board” to find a better solution (including making necessary changes to Amendment 23) to the issues facing Colorado.

Sincerely,

Paul Gessing
Director of Government Affairs