

Opinion Editorial
Senator Isgar
January 27, 2005
Budget Reform

THE TRAIN HAS LEFT THE STATION

This week we stood shoulder to shoulder with Senate Republicans and introduced a bi-partisan bill called the Tax Cut and Economy Recovery Act. This is the first step in solving Colorado's fiscal train wreck.

At the capitol we see this time in history as an incredible opportunity to unleash the great potential. Budget concerns have plagued Colorado for years and as a result, state programs such as higher education funding and healthcare services have suffered—school building are crumbling, roads are left unrepaired and citizens of rural Colorado find themselves without healthcare.

The Colorado Tax Cut and Economic Recovery Act outlines three pillars of reform that will set Colorado on a path for a prosperous economic and social future. We have taken great care in drafting a plan that will allow vital state programs to flourish without burdening Colorado families. Fiscal responsibility and social responsibility are not opposing values!

With that in mind, the first tier of our budget reform plan will *cut* the income tax rate from 4.63% to 4.5%. There is a common misconception that the current refund system gives more money back to taxpayers. In truth, it is a fatally flawed mechanism that has allowed the state to bring in far more money than it is allowed to spend, only to have to return it to taxpayers later. No business would run this way and neither should our state.

Cutting income taxes puts a refund in every paycheck, rather than once a year. In fact, in the last three years taxpayers would have kept more money under our plan rather than through an annual refund check. The tax cut will also maintain Colorado's status as the state with the lowest tax burden in the nation.

It is important to mention that citizens will still maintain the right to approve state and local taxes and debt. Revenue and spending limits on local governments will also remain the same.

Capping the amount of money that our government can take in is an equally integral part of budget reform, and will place sensible legislative constraint on government spending. Under our plan, state revenue can never grow to more than 5.5% of personal income growth. Simply speaking, no matter how much Colorado's economy grows, government will never be able to take and spend more than 5.5% of your personal income. Nationally, state governments average spending 8.85% of personal income.

By implementing our plan for budget reform, we will then be able to *invest* in areas that are indispensable to a strong, enduring future for Colorado. Investments in job growth, healthcare, and education will create a foundation for continual progress and prosperity for years to come.

In our pursuit of lasting budget reform, it is important to us that our approach garners support from both sides of the aisle and the Governor. Improving the way we accrue and allocate state funds is a change that will benefit all Coloradans, regardless of political belief or party affiliation. We were disappointed that initial declarations of advocacy mostly gave way to party politics. This critical juncture for Colorado's future is not the time to squander unparalleled opportunity for progress by unreasonably towing a party line.

But as always, we are grateful to all Coloradans for having granted us the opportunity to bring much-needed and overdue reform to a longstanding budget crisis. We are confident that the plan we have developed addresses necessary concerns without infringing upon the rights of taxpayers or increasing the financial burden for citizens and their families. A state of such natural beauty and hard-working people has been kept from realizing its true potential long enough. We have begun to awaken the sleeping giant that is Colorado's future, and will continue to strive to make our goals a state reality.