Here's a thorough analysis of what this short, common sense petition does, and why it's needed. It is written as much as possible in ordinary words, not legalese. **YES on 101**.

ENFORCEMENT

This paragraph explains the intent and purpose of, and enforces, Proposition 101. Courts know certain terms. “Self-executing” means a law takes effect without further action. “Severable” means a word or phrase may be cut. “Matter of statewide concern” means this state law trumps local home rule codes. “Strictly enforced” and yearly compliance audits prevent liberal judges from excusing any violations (total and quick enforcement).

“Prevailing plaintiffs only” means if you win any case, you get full costs and legal fees. If you lose, you bear your costs only. You need not post bonds or be injured personally.

Another term is “voter-approved revenue change.” Just as tax hikes raise state and local spending limits**,** limits decline if voters approve decreased taxes or fees. Without a decline, politicians would impose new fees without voter approval to regain the revenue, defeating the point of Proposition 101. State and local spending limits “suspended” to keep all collections are restored, and future yearly limits will reflect the voter-approved revenue reduction provided here. Renewal of those limits refunds future excess revenue.

VEHICLE TAXES (“vehicle” means car, truck, trailer, moped, bulldozer, etc.)

The “specific ownership tax” is a classic example of tax complexity. Like other vehicle taxes, it is NOT for road repair, but goes into general funds (bureaucratic black holes) of over 3,000 local governments. It's for all property-taxing governments in your county, even those you don't live in! The more property tax they take, the bigger share of car tax they get. High-tax governments get the most, encouraging big spenders to raise property taxes! It is also very complex, with five vehicle classes and multiple formulas for setting taxable value. Taxable value stays fixed, even if your car gets smashed or doesn't run! Taxable value is not even the new car price. Their “system” is a fraud on all car owners.

You not only pay a sales tax to buy a car, you pay this other tax every year you own that car--double taxation! The constitution requires a graduated tax here, but doesn't state how much. So reduce it to $2 and $1, but slowly, over four years--no dramatic effect on government budgets, just a fraction of 1% of yearly revenue. Ownership taxes are state taxes and so are revenue to the state, but then also to local governments to which the state gives that money. For schools, such revenue is replaced by state aid under school finance laws. This tax relief thus lowers both state and non-school local spending limits.

Most rental cars are for Coloradans, not tourists. Rental taxes are small nuisance taxes for us and a big paperwork burden for rental agencies. Ending those taxes encourages tourists better than those millions of dollars that state taxpayers pay now in tourism ads.

Rental cars may pay sales and ownership taxes when purchased, yet are taxed again for each rental. You paid these taxes on your car and now must pay them again on rental cars while yours is being fixed. You pay sales tax on rental or lease contract totals, including insurance and fees. Paying a "sales" tax on a "rental" car is also deceptive.

Unlike other objects, sales tax is paid every time a vehicle is purchased. Each vehicle is taxed repeatedly! A typical total sales tax rate in many urban areas may be 8%. Buy a $30,000 car, and you'd pay $2,400 in taxes. Most citizens never face higher sales taxes than on vehicles. Prop. 101 phases in over four years a $10,000 price exemption, so that sample 8% tax rate is on $20,000, not $30,000, saving buyers $800. Vehicle sales under $10,000 will not be taxed. That is fair, since the vehicle has been taxed before. Savings on this regressive tax on a basic need means the most to those who can afford the least.

Here's another example of unfair vehicle taxes, ended in five simple words. You find a new car for $30,000. The dealer offers a $5,000 manufacturer's rebate. What is the taxable sales price? It's not the $25,000 you paid, but the $30,000 original amount! No fooling! You'd pay $400 more in sales tax, assuming that 8% total rate. Paying sales tax on more than the net sales price is so unfair it's outrageous! It means true sales tax rates are higher than you thought. These rebates are now taxed, though dealer discounts aren't.

Reducing these unfair taxes will encourage vehicle sales, rentals, and leases. The effect on government revenue merely slows yearly increases. Over time, instead of growing 5%, it might grow 4%. Tax savings will help the private sector save, invest, and create jobs! You will have more cash to buy more sales taxable items for your family. You, the economy, and government all benefit--a win-win-win result with Proposition 101.

VEHICLE "FEES"

Today, you can register a corporation in Colorado for $10 on line. The E-470 registration fee (which Proposition 101 ends) is also $10. E-470 doesn't even keep a registration list of cars in its area; it is a "fee" for no service! It is also a tax imposed by a business and the supreme court has ruled government-owned businesses cannot create their own taxes.

Here, you'll pay a flat $10 per year per vehicle for all types of registration activity. With about five million vehicles, $50 million per year is plenty to tie an owner to a vehicle. On-line registration costs under a dime to process, not counting vendors who take credit cards and mail tabs. The real registration processing cost to government is under $5.

Why is the charge now mostly $50 and up? Why was it doubled in 2009? Because politicians add to your basic registration fee, for other purposes, new taxes (called "fees" so you can't vote on them). Proposition 101 allows ten types of current vehicle charges, and repeals the rest. If politicians want new or higher vehicle charges, you can vote on those treated as taxes. Other vehicle charges specified in Proposition 101 can increase without voter approval because they aren't taxes, but true fees for services provided.

INCOME TAXES

The income tax is a mess. The tax rate of 4.63% was set in some back room deal at the Capitol. It is the 2nd highest minimum rate of all adjacent states. After it is lowered, it will still be 2nd highest. Many other states have no income tax at all. Tax relief will aid the economy, reward work, and aid competition for new business, expansions, and jobs.

Proposition 101 lowers the 2011 tax rate, paid in 2012, to a simpler 4.5%. Then it drops 0.1% (to 4.4%, 4.3%, etc.) in each of the next 10 years, IF net yearly income tax revenue

grows more than 6%. If that revenue grows less, no tax rate changes. If in 2012, income tax revenue (using the 2011 rate) grows over 6%, the 2012 tax rate paid in 2013 is 4.4%. A rate reduction of 0.1% on $40,000 taxable income saves $40 in taxes. Tax-and-spend types say it's the end of the world—one hysterical senator lamented, "This will destroy government as we know it." But $40 buys groceries, or gas, or dinner out, or clothing or books for your kids, or a small gift for your spouse. Give working families a tax break.

TELECOMMUNICATION TAXES AND FEES

Have you seen what politicians have done to your phone bill? All those nickel-and-dime charges? You can do something about it—you can end them.

You can't undo federal fees, and current 911 fees are a true public safety fee for services to phone users. All other taxes or charges on phone, pager, cable TV, and other such services imposed by the state or local governments, or on behalf of their programs, are ended. If they want more charges, they will have to ask voters for them as tax increases.

Like rental car taxes, telecommunication taxes violate the tax policy of taxing purchases of goods, not services. You now pay a "fee" to fund telephone poles and wires in remote areas, so the few users don't pay that expense (even though they chose to live there). But new technology has made this state subsidy obsolete; it's called cell phones!

Another "fee" gives free or low-cost phone services for some groups. It is one more redistribution of your wealth. The $8 million phone subsidy story is on the home page. 10,000 welfare cases got this handout for years after leaving welfare rolls. The state then gave them up to six months to admit it, and now plans to give them free cell phones!

City "fees" for city cable channels are another example. You pay for local government propaganda! Each state "fee" is "only" a few million dollars yearly, replaceable by a few hours of future state revenue, which exceeds $2.2 million hourly. State spending will pass $20 billion yearly when Proposition 101 takes effect. (See the state spending chart.)

Phone charges are such a paperwork burden that many companies now charge you a fee for their cost in processing all these government fees! Fees to collect fees--that's crazy!

Like cars and incomes, phones are basic needs. Don't tax grandparents talking to grandkids, mothers paging children, or unemployed people calling for jobs. Cable may offer better reception or Internet access. Shut-ins need contact with others. Active citizens rely on cable or Internet for news. Businesses want lower utility costs. A tax on technology is a tax on talk. The tax is small per government, but adds up for your family.

Add the non-federal, non-911 taxes and fees on your monthly bills (FAX, modem, pager, phone, cable, Net, etc.) It may be $15 or more. Just this one kind of tax relief may save you $180+ yearly! That alone merits your active support of these fair, sensible reforms. (See the Sample Savings on the menu to estimate your family's total savings.) Your total savings may be $500 in just the first year, and more later. Your savings are tax-free! Volunteer today at COtaxreform.com. **Support and vote for Proposition 101.**