



DENVER
METRO
CHAMBER
OF COMMERCE



March 14, 2013

The Honorable John Hickenlooper
Governor, State of Colorado
200 East Colfax Avenue
Denver, Colorado 80203

The Honorable Mike Johnston
Colorado State Senate
200 East Colfax Avenue
Denver, Colorado 80203

The Honorable Millie Hamner
Colorado State House of Representatives
200 East Colfax Avenue
Denver, Colorado 80203

Dear Governor Hickenlooper, Senator Johnston and Representative Hamner:

Like each of you, Colorado's business community cares deeply about the future of our state. We share your passion and commitment toward ensuring our children have an education system that fully prepares them for the 21st Century and the challenges and opportunities it will bring. We appreciate and applaud the efforts behind *SB13-213, "Public School Finance Act" (Johnston-Hamner)*, and recognize the importance of updating the mechanisms that fund our early childhood and K-12 system.

As you are aware, the process that brought this legislation forward was both thoughtful and thorough. For nearly two years, interested parties – educators, elected leaders, children's advocates and the business community – worked diligently to come to consensus around the reform components and system changes outlined in the proposal the General Assembly will consider this session. This process was not easy, but it was honest, respectful and complete.

What that process did not include was a similar deep analysis into how best to finance the course established in SB13-213 and the impacts such tax proposals would have on the Colorado economy – both positive and negative. We believe that the funding side of this equation deserves and requires that same level of dialogue and debate, and that to proceed with revenue raising-ballot measures in 2013, without fully vetting the impact of such proposals, would be both troubling and unwise.

It is our understanding that proposed ballot measures to finance the proposals outlined in SB13-213 may be filed with the Title Board this month, including a graduated income tax measure. We have consistently opposed such action, and are asking you to do the same.

Specific to the graduated tax, we note our opposition. Colorado's flat income tax system is a plus in our economic development prospecting activities. One needs only to look to California, which has instituted a graduated income tax and is experiencing an exodus of businesses due to that tax policy change, to see that such a move would be ill advised. Additionally, other states we consider competitors have no income tax, or are considering elimination. A graduated tax moves us in the wrong direction.

Respectfully, we urge you to help bring together interested parties and differing views and lead efforts to ensure we develop the right tax policy for Colorado. Short-term gains in revenue may have long-term consequences as business activity changes due to a new taxing structure. We believe more study is required, and commit to being active in such a process.

Should you have questions, please do not hesitate to contact us.

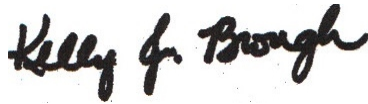
Sincerely,



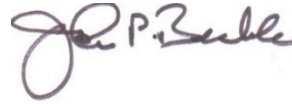
Tamra J. Ward
President and CEO
Colorado Concern



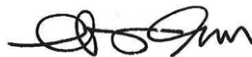
Pat Hamill
Chairman
Colorado Concern



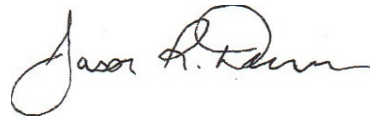
Kelly J. Brough
President and CEO
Denver Metro Chamber of Commerce



John Beeble
Chairman
Denver Metro Chamber of Commerce



Mizraim S. Cordero
Director
Colorado Competitive Council (C3)



Jason R. Dunn
Chairman
Colorado Competitive Council (C3)



Tony Gagliardi
State Director
National Federation of Independent Business