

Income tax is the way to go for local education funding



Amendment 66 on the Colorado ballot this fall changes how the state funds public preschool through 12th-grade education.

The effect it has on a community will be different for each school district.

I approach the question by asking how it affects Holyoke School District Re-1J.

The proposed amendment to the Colorado Constitution and statutes raises state individual income tax rates from 4.63 percent to 5.0 percent on the first \$75,000 of taxable income and to 5.9 percent on any taxable income over \$75,000.

This additional tax revenue will be deposited in a separate fund to increase public education funding.

It will mean an income tax increase across the state for everyone who files a tax return.

For Holyoke Re-1J, the district looks to collect \$1.185 million in additional revenue in the first full year, which far exceeds the amount that the district will pay out in increased income taxes.

In 2010, the school district passed a successful mill levy override election. It started at 7.5 mills per year, will drop to 4.5 mills after five years (in 2015) and will expire after 10 years.

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The amount of money that generates depends upon the assessed valuation of the district but was anticipated to generate about \$340,000-\$414,000 annually.

That mill levy override money comes from local property taxes. The property owners foot that bill.

And it's one-third of what Amendment 66 proposes to bring to the district annually.

In each of the past three budget years, the decline in state revenue caused the legislature to reduce the amount of state money going to school districts below what would have been required by the funding formula.

Holyoke School District took big hits.

While another mill levy override election isn't specifically planned, it is being studied by the district accountability advisory committee.

If another mill levy override election is put on a future ballot, the property owners will be asked to foot the bill again. And the amount returned to the district will be the exact amount that is paid in through property taxes.

Amendment 66 will hit those who pay income tax across the state. The amount to benefit Re-1J will far exceed what is paid out by Re-1J taxpayers.

At the time of the 2010 mill levy override question, the general push looked something like, "If the state won't provide for us, we'll have to ask for it locally."

Now with Amendment 66, the state will provide for the local school district, and it's actually more

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than the district can provide itself.

Mill levy override means property tax.

Amendment 66 means income tax.

I vote for an income tax increase and a "yes" on 66.

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