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lower the income tax rate, so he would need the legislature or a ballot measure to ...

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Colorado Governor Jared Polis said he supports reimagining the state's tax structure to eliminate income taxes, as seven other states have done.

“It’s obviously easier said than done, but in effect when you tax something you penalize it,” the Democrat said during an appearance Friday at the conservative Steamboat Institute’s Freedom Conference, according to video of his appearance.

Other states with no individual income tax include Wyoming, Washington, Texas, South Dakota, Nevada, Florida and Alaska.

Asked by an event moderator what the state's income tax rate should be, Polis said,

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“So if we can move away from taxing income, which is something that you don't want to discourage, because we want everybody to make income, we want companies to make income — that's a great thing — to basing it on taxing pollution or carbon or something that we fundamentally don't want, you'll have a more pro-growth tax structure that gets the right incentives in place to help grow what you wanna grow and penalize things that are negative externalities.”

Despite the governor's wishes, there is no indication Colorado will become the next state to abolish its income tax anytime soon. As governor, Polis cannot unilaterally lower the income tax rate, so he would need the legislature or a ballot measure to get it done.

That first route is a dead end. Democrats control majorities in the Capitol and throughout the Polis era they have opposed him on income tax policy. The party generally supports changing the income tax structure by increasing taxes on wealthy earners, upending a current across-the-board income tax rate that research shows leads to disproportionate burdens on poorer earners.

In this area Polis has actually aligned much more closely with Republicans, and he has cheered a successful 2020 ballot measure that reduced the state income tax rate from 4.63% to 4.55%. Conservative groups plan to petition to put yet another cut, down to 4.4%, on the 2022 ballot.

But even those groups aren't advocating for an overnight shift to eliminate the income tax. Doing so would bring a massive change: Personal income taxes make up about two-thirds of the money in Colorado's General Fund, which is the area of the state budget that covers K-12 education, higher education, public health and public safety, among other things.

“I don't think a zero income tax is realistic right now,” said Michael Fields, executive director of Colorado Rising Action and the public face of the fiscally conservative

ballot pushes. “And I don’t think the governor believes it is either. But he made an

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Remarks show he is “disconnected” from the reality of state budgetary pressures and the particular burdens on low- and middle-income people.

“The question the governor never seems to want to talk about is, ‘Lower taxes for whom?’ If he wants to eliminate the income tax and get behind a wealth tax, then that’s a conversation starter,” Wasserman said.

In his conference appearance, Polis also addressed criticism for his support of new fees, which are not technically taxes and which have proven a useful tool for Democrats who want to raise revenue but are hamstrung by the Taxpayer’s Bill of Rights, which requires a vote on any tax hike.

Polis distanced himself from one new spending program in particular: paid family leave, which employers and employees will pay for in the coming years. This was approved on the 2020 ballot.

“The voters did it, not me,” he told the crowd.

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