



COMMON SENSE

Policy Roundtable

Press Release

For Immediate Release

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NATIONAL ECONOMIST: HEATH TAX INCREASE WILL KILL 119,000 JOBS

*New Analysis Shows 5 –Year Tax Increase Will Come at a Heavy Economic
Cost to Colorado*

An in-depth analysis by a nationally renowned economist released today shows that a tax increase proposed by Senator Rollie Heath that is headed for the 2011 ballot will reduce 119,000 jobs over the 5-years the new increase is in effect.

The study was conducted by Dr. Eric Fruits of Economics International for the Common Sense Policy Roundtable to measure the likely effects of possible ballot initiatives on the Colorado economy. The study examines the effect of the prospective tax increases on job growth in the state as well as the migration of taxpayers and their income.

As shown in the table below, the tax increases under Sen. Heath’s proposal would have a negative impact on employment in Colorado and slow the state’s recovery from the recent recession. The study indicates that Sen. Heath’s proposal would reduce employment by 5,500 in the first full year, and that the reduction in growth rates over time will reduce employment by 30,500 by 2017, with a cumulative impact of 119,700 fewer working Coloradans.

IMPACT OF HEATH MEASURES ON COLORADO EMPLOYMENT

Year	Reduction in Employment	Cumulative Reduction in Employment
1st: 2012	5,500	5,500
2nd: 2013	14,300	19,800

3rd: 2014	19,300	39,100
4th: 2015	23,200	62,300
5th: 2016	26,900	89,200
6th: 2017	30,500	119,700

In addition to the harmful impact on employment, the study also shows that Sen. Heath's proposal would substantially slow the migration of taxpayers to Colorado by 3,610 a year.

"Our study concludes that Sen. Heath's initiative will be a step backwards for Colorado's economic recovery. While Sen. Heath touts his initiative as a way to make up for cuts in education spending, the fact of the matter is, nobody can guarantee that the new revenue will go to education", said CSPR Spokesman Dustin Zvonek.

"Appropriation of General Fund revenue is determined by the legislature, and with the composition of the legislature changing every two years nobody can guarantee what Sen. Heath is promising", added Zvonek.

To view the full study, go to www.commonsempolicyroundtable.com

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Common Sense Policy Roundtable is a non-profit free-enterprise think tank dedicated to the protection and promotion of Colorado's economy. CSPR actively follows tax and budget related legislation and initiatives. To learn more visit www.commonsempolicyroundtable.com