
NO ON **118**

HIGHER TAXES
More Bureaucracy

*A Lavish, New Program Destined for **Bankruptcy***



**ASSOCIATED
GENERAL
CONTRACTORS**



**COLORADO
ASSOCIATION OF
HOME BUILDERS**



**COLORADO
CONTRACTORS
ASSOCIATION**

BRINGING **INFRASTRUCTURE** TO LIFE



**COLORADO CHAMBER
OF COMMERCE**



CHLA



WHO ARE WE?

THE INITIATIVE



- Proposition 118 creates a new **\$1.3 billion tax increase** that authorizes a **political appointee** to manage a state-run insurance program to provide family and medical leave benefits. **50% of the \$1.3B comes directly from employee paychecks!!**
- Employers and employees will pay into the government-run program through a deduction in their wages – like a FICA tax – regardless of whether they use the benefit or not.
- Allows eligible employees to take up to 16 weeks of paid leave to care for themselves, a family member or a non-family member during specified circumstances.

THE COST



Proposition 118 is Blatantly Deceptive!

To fund the program, proponents designate a “payroll premium” as the funding source. The premium is actually a payroll tax deducted directly for the paychecks of hardworking Coloradans and employers.

- This initiative represents an effective income tax increase of roughly 20% for the employee.
- In 2025, the total premiums to be paid by employers could total over \$1.34 billion. This would be an effective increase of the corporate income tax of **204%**.

THE FUNDING



- Employers & Employees pay a tax in the form of a paycheck deduction of 0.9%.
- That deduction can grow to 1.2% at the discretion of a **political appointee**, the head of the new Family and Medical Leave Department.



ANNUAL PFML PREMIUM PAYMENT SCENARIOS CALENDAR YEAR 2023

Annual Wage	Annual Premium	Employer Portion	Employee Portion
\$25,000	\$225	\$113	\$113
\$75,000	\$675	\$338	\$338
\$125,000	\$1,125	\$563	\$563
\$175,000	\$1,382	\$691	\$691
\$225,000	\$1,382	\$691	\$691

THE BUREAUCRACY

- Creates a massive, new bureaucracy by authorizing up to 196 new employees for the new department
- Political appointees will have unprecedented authority to increase the tax in order to cover excess costs
- Revenue sources are not subject to TABOR



DESTINED FOR BANKRUPTCY?

- A recent professional study questioned the solvency of this new program.
 - Utilization rates estimated too low
 - Deduction rates estimated too low
- If the program becomes insolvent, state lawmakers will be forced to fund the program from general fund dollars, ultimately taking funding away from things like **education and transportation.**



THE HYPOCRISY

Proponents Claim that Paid Family Medical Leave Benefits Are Necessary for All Employees

Yet

The Measure Exempts Cities, Counties, School Districts, Towns and Other Local Governments

BECAUSE THEY CAN'T AFFORD IT!



HEARD ON THE STREETS

Should I be concerned about this initiative? I already offer my employees a paid family medical leave benefit.

Employers will only be exempt if the benefits offered meet the EXACT terms of the ballot question, including the duration, amount and broadened definition of family.



THE REALITY



“The uncertainty of the situation globally and nationally has **forced many businesses to close temporarily, layoff and furlough valued employees, and seek out financial assistance to stay afloat.** Benefits like paid leave are meaningless if Coloradans don’t have stable employment.”

Colorado Chamber of Commerce May 1, 2020

The Denver Post

NO ON **118**

HIGHERTAXES
More Bureaucracy

*A Lavish, New Program Destined for **Bankruptcy***

DURING A
WORLDWIDE
PANDEMIC &
ECONOMIC
RECESSION,
CAN
COLORADO
FAMILIES
AFFORD THIS?

WWW.VOTENOON118.COM