



EY Payroll NewsFlash Workforce Tax Services

*Tax. Benefits. Human Resources.
Working together with you.*



 Contact us for more information

 Join us on LinkedIn

Vol.23, 110
November 21, 2022

Colorado votes approve measures to cut personal income tax rate retroactive to January 1, 2022, and to further limit standard and itemized deductions for highly paid starting in 2023

The Tax Foundation [reports](#) that Colorado voters approved [Proposition 121](#) which lowers the state's personal income tax rate from 4.55% to 4.40% retroactive to January 1, 2022.

The Colorado Department of Revenue confirmed the 2022 personal income tax rate in its [frequently asked questions](#); however, the Colorado Withholding Worksheet for Employers continues to show a withholding rate of 4.55% for 2022.

This is the latest in a series of Ohio personal income tax rate cuts. In 2020, proposition 116 reduced the income tax rate to 4.55%. In 2019, the Colorado income tax rate was temporarily reduced to 4.50%. From 2000 to 2018, the Colorado income tax rate was 4.63%.

Colorado voters also approved a marriage penalty

The Tax Foundation also reports that Colorado voters approved [Proposition FF](#) which, effective January 1, 2023, funds a universal school meals program by further limiting standard and itemized deductions by reducing the state income tax deduction amounts for those earning \$300,000 or more from \$30,000 for single filers and \$60,000 for joint filers to \$12,000 for single filers and \$16,000 for joint filers.

Contact us for more information

Workforce Tax Services - Employment Tax Advisory Services

Kristie Lowery
kristie.lowery@ey.com

Ken Hausser
Kenneth.hausser@ey.com

Debera Salam
debera.salam@ey.com

The information contained herein is general in nature and is not intended, and should not be construed, as legal, accounting or tax advice or opinion provided by Ernst & Young LLP to the reader. The reader is also cautioned that this material may not be applicable to, or suitable for, the reader's specific circumstances or needs, and may require consideration of non-tax and other tax factors if any action is to be contemplated. The reader should contact his or her Ernst and Young LLP or other tax professional prior to taking any action based upon this information. Ernst & Young LLP assumes no obligation to inform the reader of any changes in tax laws or other factors that could affect the information contained herein. Copyright 2022. Ernst & Young LLP. All rights reserved. No part of this document may be reproduced, retransmitted or otherwise redistributed in any form or by any means, electronic or mechanical, including by photocopying, facsimile transmission, recording, rekeying, or using any information storage and retrieval system, without written permission from Ernst & Young LLP.