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## **Taxpayer Bill of Rights (TABOR)**

A Taxpayer Bill of Rights (TABOR) measure is a state budget and tax-policy process that limits growth of state and local revenues to a restrictive formula, such as capping total spending and taxing to the rate of inflation plus change in population.

In the one state that has adopted TABOR, a public referendum is required to increase tax revenues past this formula. Revenue that exceeds the formula is “refunded” to taxpayers unless voters decide otherwise.

### **Why It Matters**

TABOR laws undermine the ability of governments and nonprofits to meet demands for services and to respond to future or projected changes in economic conditions, population growth, and the costs of delivering public services. TABOR has the effect of underfunding key services provided by nonprofits and therefore negatively impacts vulnerable populations served by the charitable sector.

### **Where We Stand**

The Council of Nonprofits opposes arbitrary and across-the-board budget cuts at any level of government and will work to inform policymakers of the impact of budget proposals on communities. The Council of Nonprofits likewise opposes policies or

gimmicks that institutionalize restrictions on lawmakers' fiscal options.

- [Public Policy Agenda](#)

## Status

Since 2004, at least [30 states have considered TABOR measures](#) or similar restrictions: Alabama, Arizona, California, Colorado (the only enacted law), Georgia, Florida, Kansas, [Maine](#), Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, [North Carolina](#), North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Utah, Virginia, Washington, and Wisconsin. None have passed. In 2004, Spring Hill, Tennessee, became the first municipality to adopt TABOR.

## What Nonprofits Can Do

Nonprofits can overcome the allure of an arbitrary budget gimmick such as TABOR by demonstrating the effectiveness of the programs they perform in communities and communicating to policymakers the impact that government-funded programs have in communities. In particular, nonprofits should participate in nonprofit advocacy training and events hosted by their [state association of nonprofits](#).

## Additional Resources

- [TABOR at Twenty](#), National Conference of State Legislatures, March 2013.
- [Kerr et al. v. Hickenlooper](#): A Constitutional Challenge to Colorado's Taxpayer Bill of Rights.
- [A Formula for Decline: Lessons from Colorado for States Considering TABOR](#), Center on Budget and Policy Priorities, Mar. 2010.
- [Policy Basics: Taxpayer Bill of Rights \(TABOR\)](#), Center on Budget and Policy Priorities, February 2013.