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FORMAL	)	
OPINION	)	
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of	)	No. 95-2
	)	
GALE A. NORTON	)	April 14, 1995
Attorney General	)	

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This Opinion responds to a request from the General Assembly for an opinion as to the effect of Article 10, Section 20 of the Colorado Constitution on the automatic repeal of the exemption from taxation on all sales of precious metal bullion and coins.

**QUESTION PRESENTED AND CONCLUSION**

Is the automatic repeal of the exemption from taxation of all sales of precious metal bullion and coins under statutory taxation provisions in place prior to the effective date of Article 10, Section 20, a tax policy change requiring voter approval?

No. The Act's tax scheme including the exemption and repealer was established before Article 10, Section 20 became effective. Because the tax scheme contemplates the termination of the exemption within the context of the scheme it is not a "tax policy change" within the meaning of Article 10, Section 20.

**ANALYSIS**

On November 3, 1992, Colorado's citizens adopted Amendment One to the state constitution. The amendment, which now appears as Article 10, Section 20 of the Colorado Constitution, is commonly referred to as TABOR (the "Taxpayers' Bill of Rights"). The amendment states in pertinent part that starting November 4,

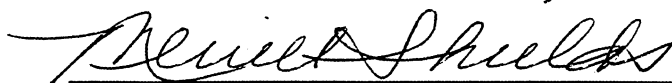
**SUMMARY**

The General Assembly established a tax policy prior to the enactment of Article 10, Section 20, of the Constitution. Such policy included an exemption from taxation for precious metal bullion and coins until April 17, 1995, at which time, without any further legislative action, such bullion and coins would be subject to taxation. Under this previously set design there is not a tax policy change which would require voter approval.



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