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Chronos Builders, LLC v. Department of Labor and Employment, Division of Family and Medical Leave Insurance

Supreme Court of Colorado - June 21, 2022 - P.3d - 2022 WL 2207478 - 2022 CO 29

Employer brought action challenging the constitutionality of collection of premiums from employers to fund the Paid Family and Medical Leave Insurance Act.

The District Court dismissed the action. Employer appealed. On parties' joint petition, certiorari review was granted.

The Supreme Court held that as matter of apparent first impression, premiums collected to fund paid leave under Paid Family and Medical Leave Insurance Act did not amount to "added tax or surcharge" pertaining to income tax law.

Premiums collected from employers and employees to fund paid leave from employment under the Paid Family and Medical Leave Insurance Act did not amount to "added tax or surcharge" pertaining to income tax law that would be prohibited under State Constitution's Taxpayer's Bill of Rights (TABOR); unlike taxes, which were designed to raise revenues to defray general governmental expenses, the premiums were fees used "to defray the cost" of providing paid family and medical leave to employees.

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