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This Week in State Tax (TWIST)

November 9, 2026



Multistate: Voters decide tax issues at the polls

Voters have now weighed in on a series of consequential state tax ballot measures. The proposals largely fell into three categories: (a) taxes on high-income individuals; (b) property tax relief through larger exemptions, lower assessment caps, and limits on local levies; and (c) restrictions on legislatures and localities raising future revenues, such as rate ceilings and supermajority voting requirements. Technically, the results in each state are unofficial pending final certification by state officials. The summaries below are based on the results provided thus far by the Secretary of State in each state, and updated vote totals are available on the website of those officials.

California: Reported vote totals show that Golden State voters have approved Proposition 42 and Proposition 3. Proposition 42 would prohibit new state taxes on the ownership of retirement assets, individually owned assets, and other personal property as well as prohibiting retroactive taxes based on a taxpayer's past activities or conduct. It would also nullify conflicting taxes enacted after January 1, 2026. The proposition was structured to be a countermeasure to the proposed wealth tax initiative. (See below.) Proposition 3 would make permanent the temporary income tax rate increases on higher earners first enacted in 2012. For single filers, the rates range from 10.3 percent on income over $371,000 to 12.3 percent on income above $743,000, with thresholds adjusted for inflation (Rate brackets double for married filing joint taxpayers.)

On the other hand, voters appear to have given a thumbs down to Proposition 40, Proposition 41, and Proposition 43. Proposition 40 would have imposed a one-time 5 percent "wealth tax" on California taxpayers with more than $1 billion in covered assets, excluding real estate and qualified retirement accounts. Proposition 41 would have nullified state taxes enacted after January 1, 2026, that exempt revenues from voter-approved spending limits. Proposition 43 would have required, beginning January 1, 2027, that any voter-proposed local special tax receive a two-thirds majority vote to be adopted, rather than the simple majority currently required.

Colorado: Results show Amendment 87 narrowly passing. The citizen-led initiative would repeal a current constitutional requirement that personal and corporate income be taxed at a single rate and would replace it with graduated individual and corporate rate structure in tax year 2027. Those rates would top out at 8.4 percent on income above $1 million. The additional revenue would be exempt from the state's TABOR revenue and spending limitations. Results also point to a narrow rejection of Proposition 136, which would have permanently capped individual and corporate income tax rates at 4.4 percent beginning January 1, 2027.

Florida: Floridians approved Amendment 3 by a substantial margin. The measure raises the homestead exemption for non-school property taxes to $150,000 in 2027 and $250,000 in 2028, lowers the annual cap on

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assessment increases for non-homestead property from 10 percent to 5 percent, and limits how counties and municipalities may use property tax revenue.

Iowa: Hawkeye voters have approved Amendment 1 which requires a two-thirds majority of both legislative chambers to increase state individual or corporate income tax rates or to enact a new tax on income. It does not apply to local taxes.

North Carolina: Voters are giving the nod to both constitutional amendments the legislature sent to the ballot. The first, H.B. 1089, requires the General Assembly to adopt laws limiting the amount by which locally levied property taxes may increase annually. It leaves the precise limits and any exceptions to be determined through future legislation. The second, S.B. 1080, lowers the constitutional cap on individual and corporate income tax rates from 7 percent to 3.5 percent for tax years beginning January 1, 2027. The individual income tax rate is already scheduled to drop to 3.49 percent in 2027, while the current corporate income tax rate is 2.0 percent.

Oklahoma: Oklahoma voters rejected State Question 847. The measure would have lowered the annual increase in the assessed value of any property from 3 percent to 1.75 percent for homestead and agricultural property, and from 5 percent to 4 percent for commercial and other real property.

Washington: Latest tallies show that 58 percent of Washington voters have rejected Initiative 645 which would have repealed the 9.9 percent tax on income exceeding $1 million that takes effect in 2028. It also would have prohibited future taxes on individual income. The tax faces a pending legal challenge under Washington law.

Wyoming: Tallies to this indicate that Equality State voters have rejected Proposition 1. The initiative would have exempted 50 percent of the assessed value of a primary residence from tax, beginning with the 2027 tax year. Property taxes in Wyoming are in a state of flux due to questions regarding whether earlier efforts to reduce the growth of property taxes violate “uniform and equal” clause of the state constitution.

For more information on the outcomes of these measures, please reach out to Diana Smith. Additionally, further information is available in our October 19 TWIST.

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