

## Largest Tax Increase in State History

### And additional fee increases

Senate Democrats have proposed a \$21 billion tax package to pay for their \$78 billion budget. If enacted, it would be the largest tax increase in Washington state history. Democrats claim the package is \$17.5 billion, but that is only if their proposal for a .5% sales tax reduction makes it through session and doesn't get repealed before it would take effect on Jan. 1, 2027. Following is a list of tax bills in the House and Senate that have been proposed this year.

### Senate

- **SB 5083:** Shifts healthcare costs from the state to working families averaging \$1,400 per year for a family of four (PEBB/SEBB price caps).
- **SB 5167:** Raises bed fees for long-term care facilities – a de facto tax on private-pay patients.
- **SB 5390:** Increases the Discover Pass fee by 50%.
- **SB 5502: Bottle tax.** Imposes a \$0.10 refundable fee on all covered beverage containers.
- **SB 5762:** 50% increase in cellphone tax from \$0.40 cents per month per line to \$0.60.
- **SB 5576:** Imposes new sales tax on Airbnb, VRBO and other short-term rental homes.
- **SB 5583:** Increases the cost of hunting and fishing licenses 38%.
- **SB 5711:** Double-taxation of storage units.
- **SB 5785:** Increases college tuition every year, starting with \$700 during the freshman year to \$900 during the senior year. Totals about \$3,000 per student.
- **SB 5786:** Increases the annual fees for liquor licenses by 50%.
- **SB 5791: Tax on Consumers** Raises the B&O tax from 1.75% to 1.8%, resulting in 20,000 businesses around Washington paying \$90 million MORE a year, which would be PASSED ALONG TO CONSUMERS VIA HIGHER PRICES.
- **SB 5794:** Increases prescription drug prices (taxes on drug wholesalers).
- **SB 5796: Taxing Jobs.** Creates a new payroll tax for employers with more than \$7 million in payroll expenses.
- **SB 5797: Taxing Innovation.** Imposes a tax on stocks, bonds, and other intangible assets.
- **SB 5798: Taxing Your Home.** Removes the 1% cap on the annual rate state and local government can increase your property taxes without voter approval, tying it instead to inflation and population growth.

## House

- **HB 1386:** Imposes an 11% sales tax on firearms and ammunition.
- **HB 1409:** Increases gas prices by an estimated \$0.05-\$0.25 in the next two years by increasing carbon intensity reductions under the Clean Fuel Standard.
- **HB 1480: Housing Tax** – Allows counties to impose a local real estate excise tax.
- **HB 1517:** Adds an additional tax on the sale of cell phones, smart watches, and other devices.
- **HB 1581:** Increases taxes on wired, wireless, and VoIP lines and for prepaid wireless services (988 tax).
- **HB 1607: Bottle Tax – House version.** Adds a 10-cent per beverage container tax.
- **HB 1839:** Imposes a tax on “advanced computing businesses.
- **HB 2031: Fun Tax** -- creases hunting and fishing license fees, including for youth and seniors.
- **HB 2033:** Imposes nearly 50% tax on Zyn and similar smoking-cessation products.
- **HB 2035:** Increases the liquor license fees by 50%, including banquet permits for weddings and events.
- **HB 2045: Tax on Customers – House version.** Imposes a job-killing tax on local businesses (B&O tax surcharge on large businesses and financial institutions, which would negatively impact around 400 business statewide and BE DIRECTLY PASSED ONTO CUSTOMERS THROUGH HIGHER PRICES.)
- **HB 2046: Tax on Innovation – House version.** Taxes unrealized capital gains (Democrats call it a Wealth Tax).
- **HB 2049: Tax on Your Home – House version.** Triples the property tax growth limit from 1% to 3% and increases local school property tax levies.
- **HB 2061:** Imposes a 10% charge at duty-free stores (intent section flags the sales of alcohol, cigarettes, other tobacco products, vapor products, nicotine products, and merchandise).
- **HB 2276: Tax on Housing and Apartments --** Expands the real estate excise tax by lowering the threshold so it applies to all property worth \$3 million or more. Will affect all property transactions, but one of the biggest concerns is it will impact sales of large apartment complexes – driving up rents.