

THE INCOME TAX

Senate Bill 6346



Unconstitutional

The Washington State Constitution prohibits a graduated tax on property. Any such tax is required to be uniform - everyone is charged the same rate. In the 1930s, the State Supreme Court ruled that income is property. Therefore, a graduated tax on income is unconstitutional.



An income tax on everyone

Levies a 9.9% income tax on everyone in Washington, but provides a TEMPORARY deduction for those earning under \$1 million per year. Democrats rejected an amendment that would restrict the tax only to millionaires. All it will take to remove the deduction is for the Legislature to amend the law.



Shuts out the will of the people

Contains a clause that prevents the people from overturning the tax through referendum. Proponents ignore the fact that the people of Washington have voted against a state income tax 10 times.



Nothing earmarked for education or health care

Not one dime is earmarked for education or health care. Proponents argue that over 40% of the general fund is spent on education, but that does not mean that additional revenue will be.



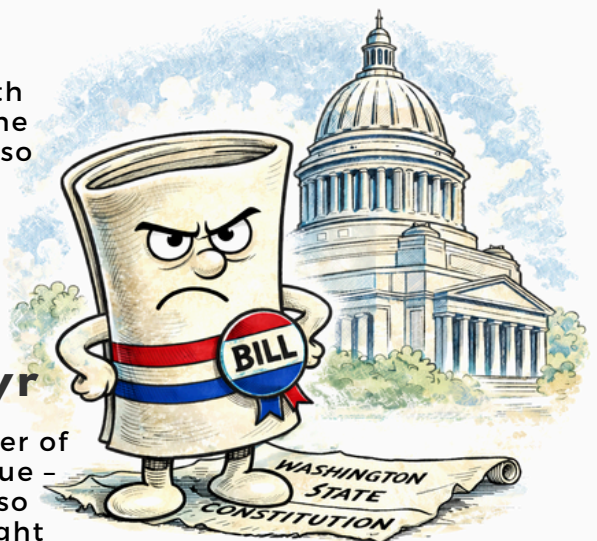
Contains a marriage penalty

Penalizes married couples. Not only individuals with an annual income higher than \$1 million will pay the tax. Married couples filing their taxes jointly will also pay the tax if their combined income totals \$1 million. A couple who is not married and files individually would avoid the tax if neither person earns \$1 million on their own, but they earn \$1 million together.



Costs taxpayers \$3.2 billion/yr

Projected to raise \$3.2 billion per year. If the number of people paying the tax goes down, so will the revenue - giving supporters reason to change the deduction so even MORE PEOPLE PAY. We already see capital flight from the death tax. This tax will drive more job creators to move or to avoid locating in Washington.



QUOTES ABOUT THE INCOME TAX



“Do the Democrats in Olympia think Washingtonians are fools?”

-Sen. John Braun, 20th LD

“An income tax on anyone in Washington is an income tax on everyone.”

-Rep. Drew Stokesbary, 31st LD

“This is the law of diminishing returns. The more you try to get, the less you’re going to get.”

-Sen. Keith Wagoner, 39th LD

“Nothing in [the income tax] bill right now makes Washington state affordable.”

-Sen. Perry Dozier, 16th LD

“Proponents last week said they would not include any provision that would bind future legislatures from lowering the threshold. In other words, there’s no protection [against expansion of the tax].”

-The Seattle Times Editorial Board

“Shameless describes many corners of the political universe, but special notice to Washington state Democrats for pushing an income tax forbidden by their own state constitution.”

-Wall Street Journal

“Anyone who calls it a ‘millionaire tax’ wants it. Anyone who calls it an ‘income tax’ understands it.”

-Ari Hoffman, Seattle radio host

“But so far the [income tax]...is mostly a vehicle for brazen revenue expansion. That’s unacceptable.”

-The Seattle Times Editorial Board

“Most importantly, the proposal demonstrates Democrats’ reflexive reaction to any budget shortfall – raise taxes while leaving Republicans out of the discussion.”

-The Columbian Editorial Board

“Even if it clears the legal, implementation & other challenges, it’s unlikely to raise much money given every wealthy person I’ve spoken to in the last few days has said they will leave the state. I believe them. Thoughtful taxes don’t actually drive people away, boneheaded taxes do.”

-Nick Hanauer, Seattle progressive venture capitalist