



Legislative Building
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Washington State Senate

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March 30, 2026

Dear Governor Ferguson,

We ask that you veto Engrossed Substitute Senate Bill 6346, the income tax passed by legislative Democrats.

We also ask that you call the Legislature into a special session, to craft a supplemental operating budget that will rein in the out-of-control spending that has – as you accurately noted in your 2025 inaugural address -- made our state unaffordable for many Washingtonians.

The income-tax legislation delivered to you is unconstitutional, unlawful, unpopular, unnecessary and unfair. It also is unwise, as suggested by *The Wall Street Journal* in this excerpt from a March 27, 2026, editorial:

A cautionary tale is Washington state, which before the pandemic had no income tax and ranked as one of the country's biggest income gainers. In 2021 Democrats imposed a 7% tax on capital gains exceeding \$250,000. What do you know? The state lost about \$250 million in income on net in 2023, mostly to Texas, Florida and Arizona.

Washington still gained income from higher tax neighbors Oregon and California, but that may not continue since Democrats in the Evergreen State enacted a raft of hikes including on estates and business gross receipts. This month Democrats passed a 9.9% tax on income over \$1 million, matching Oregon's top rate (which hits at \$125,000).

Governor, the fallout from other recent tax increases is clear for everyone to see.

- When an income tax on capital gains was passed, Jeff Bezos promptly left for Florida and saved an estimated \$600 million to \$1 billion in the first year alone. Those savings to him continue every year.
- With your support, legislative Democrats made Washington's death tax far and away the highest in the nation. The resulting capital flight caused backers of the tax to retreat to the previous rate this year, by passing Engrossed Senate Bill 6347. However, it's still true that no other state has a higher death tax than Washington. That is outside the mainstream, and capital flight continues.

If you do not veto the income tax, it almost inevitably will come before the state Supreme Court, which has been packed with Democratic gubernatorial appointees over the years. The expectation by supporters, no doubt, is the justices will overturn more than 90 years of constitutional precedent. Regardless, the mere passage of the income tax caused immediate concern.

- Howard Schulz, former Starbucks CEO, took it as a cue to announce that he had already moved to Florida.
- Starbucks announced a new “regional” headquarters in Nashville. Judging from a week of intrepid reporting by The Seattle Times, the “regional” headquarters is looking increasingly like a location that could soon become the new company headquarters.
- John Schneider, general manager of the two-time Super Bowl champion Seattle Seahawks, issued pointed comments that the income tax could make it challenging for all Seattle professional sports teams to attract and keep top-flight athletes.
- Public-records requests to your office have revealed that the income tax is also an issue of concern for the National Basketball Association in its consideration of a new Seattle franchise and the ability of such an organization to attract and keep talent.

Governor, we have created a website, [ExitWA](#), which documents some of the flight of capital and jobs that has occurred since the Democrats seized sole control of state government following the 2017 elections. It is alarming.

During the same period, Washington has become alarmingly less affordable as state spending and the tax burden have soared. Democrats imposed multibillion-dollar tax increases in 2019 and 2021 (including the income tax on capital gains), yet those pale in comparison to the \$12.3 billion in new and higher state and local taxes approved in 2025. Washington state citizens cannot afford the lack of prioritization, restraint and accountability from Democratic legislators that has resulted in these waves of tax increases.

We believe that the budget passed this session is likely to result in a \$7-\$10 billion deficit in the next cycle, because of the irresponsible use of one-time money and a growth-rate assumption of 2.4% that is unrealistic, seeing how Democrat budgets have grown an average of 15% each cycle since they took sole control of government.

We have a strong suspicion that the “solution” the Democrats will turn to is a lowering of the million-dollar exemption in the new income law to capture more money. What would that new threshold be – \$100,000, or even \$50,000 in annual taxable income? Would a continued marriage penalty bring that effective limit down even more for some Washingtonians? Unfortunately, taxpayers would be at the mercy of the majority and its voracious spending desires in determining that level.

Governor, we understand there is tremendous pressure from irresponsible forces on your political left to sign the income tax.

We ask that you take a courageous stand, veto the income tax instead and call us back to the Capitol to produce a budget that doesn’t require new taxes or gimmicks.

As a candidate for governor in 2024 you presented yourself as a defender of the constitution and rule of law. For that reason, we believe you should absolutely oppose Section 1208 of ESSB 6346, which prohibits a referendum by the people.

It is cynical and disingenuous for legislative Democrats to deny the people their constitutional right to a referendum, on the grounds that “the people still retain their constitutional right to an initiative.” As they are fully aware, qualifying an initiative for the ballot costs twice as much as qualifying a referendum and requires twice as many voter signatures.

Also, a referendum is also clear and intuitive: Vote no to oppose an income tax. With an initiative it is the reverse – voting yes means no to an income tax. That is confusing to voters, and political insiders are counting on that confusion to help them defeat the people’s true will.

We ask that you take the side of the people who have voted no on an income tax 10 times. Be on the side of the state constitution and 90-plus years of judicial precedent. Veto ESSB 6346 in its entirety – or at least be on the side of Washington citizens and veto the provision that denies the people their constitutional right to a referendum.

Sincerely,



Senator John Braun
Senate Republican Leader



Senator Chris Gildon
Ranking Member,
Ways & Means



Senator Nikki Torres
Assistant Ranking Member,
Ways & Means
