

1 **PERMIT WASHINGTON TAXING JURISDICTIONS MORE FLEXIBILITY**

2
3 **WHEREAS** Washington and its various taxing jurisdictions have the most regressive state and
4 local tax systems in the country, punishing poor and middle class residents;

5
6 **WHEREAS** non-elderly residents in Washington pay the following percent of their family
7 income in state and local taxes: below \$21,000 pay 16.8%, between \$21,000 and \$40,000 pay
8 11.7%, between \$40,000 and \$65,000 pay 10.1%, between \$65,000 and \$103,000 pay 8.5%,
9 between \$103,000 and \$197,000 pay 6.6%, between \$197,000 and \$507,000 pay 4.6%, and in
10 excess of \$500,000 pay only 2.4%;

11
12 **WHEREAS** in Washington, the property tax share of family income varies from 4.7% for the
13 lowest 20% of incomes to 2.6% for the middle 20% to 1.2% for the top 1%;

14
15 **WHEREAS** Jefferson County has one of the highest median property taxes, and property taxes
16 paid by its residents are one of the highest percentages of family income in the United States;

17
18 **WHEREAS** the Washington State Supreme Court's 5 to 4 decisions in 1933 and 1935 have been
19 interpreted to mean that non-uniform (e.g., progressive) statewide or local taxes, whether on
20 income or property, violated Article VII, Section 1 of the Washington State Constitution;

21
22 **WHEREAS** local taxes based on income are levied by both counties and cities, in 4,943
23 jurisdictions in 17 states as of August 31, 2011, encompassing over 23 million Americans;

24
25 **WHEREAS** in a democratic society the people should have the flexibility of determining what
26 tax structure is acceptable to them without being restricted by the state constitution; and

27
28 **WHEREAS** the platform of the Jefferson County Democrats recognizes the inequity of
29 Washington State's regressive tax system and the platform of the Washington State Democratic
30 Party calls for a progressive tax system;

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32 **THEREFORE BE IT RESOLVED** that the Jefferson County Democrats call on the Washington
33 State Democratic Central Committee to urge Washington's state legislators to introduce or
34 support legislation that amends Article VII, Section 1 of the Washington State Constitution to
35 permit the implementation of a non-uniform tax structure within the boundaries of any
36 jurisdiction levying such taxes if two-thirds of its voters approve such a tax; and

37
38 **THEREFORE BE IT FURTHER RESOLVED** that the Jefferson County Democrats call on its 24
39 LD Senator Kevin Van De Wege and Representatives Mike Chapman and Steve Tharinger to
40 introduce or support legislation that amends Article VII, Section 1 of the Washington State
41 Constitution to accomplish the objectives stated in lines 32-36 above.

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43 Submitted to the Jefferson County Democrats on **August 16 2017** by:

44 David Tonkin, z9davton@q.com, 360-385-2468; Date signed: September 12, 2017

David Tonkin

SUPPORTING DOCUMENTATION

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46 LINES 3-4

- 47 ● According to a March 3, 2015 Seattle Times article, “In the latest *Who Pays?* report by the
48 non-partisan **Institute on Taxation and Economic Policy [ITEP]**, Washington state has
49 'by far' the most regressive tax system in the nation. Poor residents here pay 16.8 percent
50 of family income in state and local taxes while the wealthiest 1 percent pay only 2.4
51 percent.” [http://www.seattletimes.com/business/economy/washington-suffers-most-
52 regressive-tax-system-in-u-s/](http://www.seattletimes.com/business/economy/washington-suffers-most-regressive-tax-system-in-u-s/),
- 53 ● On January 16, 2015, Forbes Magazine also references the report by ITEP at:
54 [https://www.forbes.com/sites/janetnovack/2015/01/16/state-with-worlds-richest-
55 man-has-most-regressive-taxes-but-dont-blame-bill-gates/#6880dc1b62fd](https://www.forbes.com/sites/janetnovack/2015/01/16/state-with-worlds-richest-man-has-most-regressive-taxes-but-dont-blame-bill-gates/#6880dc1b62fd).
- 56 ● Read the actual ITEP report: <https://itep.org/wp-content/uploads/whopaysreport.pdf>

57 LINES 6-13

58 Page 123 of the 5th Edition of the ITEP Report *Who Pays, A Distributional Analysis of the Tax
59 Systems in All 50 States*, reports on Washington State. Go to: [https://itep.org/wp-
60 content/uploads/whopaysreport.pdf](https://itep.org/wp-content/uploads/whopaysreport.pdf).

61 LINES 15-16

62 In 2017, Tax-Rates.org reported that Jefferson County is ranked 389th of the 3143 counties in
63 order of median property taxes and is ranked 270th of the 3143 counties for property taxes as a
64 percentage of median income. Go to [http://www.tax-
65 rates.org/washington/jefferson_county_property_tax](http://www.tax-rates.org/washington/jefferson_county_property_tax)

66 LINES 18-20

67 Some experts say the court's majority erred in interpreting income as static property
68 when it is actually fluid and should not be restricted to the uniform taxation rule.

- 69 ● Read the Washington State Constitution at
70 <http://leg.wa.gov/lawsandagencyrules/documents/12-2010-wastateconstitution.pdf>.
- 71 ● Read the Washington State Department of Revenue report *History of Court Decisions* at
72 [http://dor.wa.gov/content/aboutus/statisticsandreports/wataxstudy/Appendix_B.pd
73 f](http://dor.wa.gov/content/aboutus/statisticsandreports/wataxstudy/Appendix_B.pdf). This was prepared by Hugh Spitzer based on his article *A Washington State Income
74 Tax – Again?* published in the University of Puget Sound Law Review Vo. 16:515
75 ([http://digitalcommons.law.seattleu.edu/cgi/viewcontent.cgi?article=1383&context=su
76 lr](http://digitalcommons.law.seattleu.edu/cgi/viewcontent.cgi?article=1383&context=sulr)).
- 77 ● Read the article by Josh Kelety in the May 1, 2017 Seattle Weekly titled *Is a City Income
78 Tax Legally Feasible in Seattle? Your Burning Questions, Answered!* at
79 [http://www.seattleweekly.com/news/is-a-city-income-tax-legally-feasible-in-seattle-
80 your-burning-questions-answered/](http://www.seattleweekly.com/news/is-a-city-income-tax-legally-feasible-in-seattle-your-burning-questions-answered/).
- 81 ● Read the 2010 report for the University of Washington written by Nathan Riding titled
82 *Why Washington State Doesn't Have an Income Tax: The 1930s Campaign for Tax Reform and
83 the Origins of Washington's Tax System* at
84 http://depts.washington.edu/depress/washington_state_income_tax.shtml.

85 LINES 22-23

86 This information is from The Tax Foundation, in an August 31, 2011 report that you can see at:
87 ([https://taxfoundation.org/local-income-taxes-city-and-county-level-income-and-wage-taxes-
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93 n](https://taxfoundation.org/local-income-taxes-city-and-county-level-income-and-wage-taxes-)