

Affidavit for Proposed Initiative **FILED**

I, JAMES E. VAUGHAN, declare as follows: JUN 03 2010
print name as registered to vote

SECRETARY OF STATE
STATE OF WASHINGTON

1. I am over 18 years of age and competent to testify.
2. I am a registered voter residing at:

14416 168th STREET ORTING WA 98360
street address city zip code
PIERCE 253 241 9634
county (area code) telephone number

3. I herewith submit a proposed Initiative to the:

People

Legislature

in the form appended hereto regarding the subject of TAXING LEGISLATORS

4. I request that the Secretary of State transmit a copy of the proposed Initiative to the Office of the Code Reviser. If I submit a final version of the proposed Initiative to the Secretary of State, along with a Certificate of Review issued by the Office of the Code Reviser, I request that the Secretary of State assign the proposed Initiative a number, and transmit a copy to the Attorney General for a ballot title.

5. I declare under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct and of my own knowledge, and that I executed this declaration at ORTING, Washington, in the County of PIERCE, this

3 day of JUNE, 2010.


signature

Note: The Office of the Secretary of State posts information regarding proposed Initiatives on the agency's website, including contact information for each sponsor. If you would like alternate contact information to be posted, please provide that information below. Please be aware that all information on this affidavit is public record and is subject to public disclosure.

14416 168th STREET ORTING WA 98360
address city state zip code
jvaughan50@comcast.net 253 241 9634
email (area code) telephone number (area code) fax number

Panhandling and Pick Pocket Tax For State Legislatures In Lieu of a State Income Tax

An act relating to education and fiscal reform; adding a new section to Chapter 82.04 by creating a 20% tax on all Democratic legislatures that voted to suspend Initiative 960 and increase taxes or pick the pockets of Washington State tax payers. The 20% tax will be applied to all wages, salaries and other compensations received directly or indirectly from their elected office. In addition, a 40% tax will be applied to all monies received from panhandling efforts otherwise know as campaign contributions from special interest groups. The panhandling tax will also be used to offset or recoup tax dollars lost from Indian Casino revenues.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON

Part I

Policies and Purpose

Sec. 1. Whereas Initiative 960 was approved by the voters to prevent the following:

In 1991, Connecticut was facing a revenue shortfall of about \$2.7 Billion. Using that crisis, Connecticut's governor pushed hard for a state income tax. After a long stalemate with the General Assembly, the bill eventually passed. At the signing ceremony, Governor Lowell Weicker sounded optimistic. "When I sign this budget, Connecticut will be closing the book on its past and it'll be facing toward the future."

Now, 17 years later, we have a pretty good idea of what that future looks like: The income tax that was passed to close a \$2.7 Billion deficit has been raised several times and now brings in over \$7.5 billion a year. Add in the \$350 million a year that the state currently receives from Indian Casinos, and Connecticut now collects nearly \$8 billion more in revenue than it did in 1991.

Despite all of those extra billions, Connecticut is still facing massive deficits \$1.2 Billion this year and another \$6 to \$8 Billion over the next two years. How could this happen? In Connecticut's case, out-of-control spending was the culprit. In 1991, when the so-called crisis was happening, the state's total spending was about \$7.6 billion. In 2008, the total spending was \$18.8 billion, an increase of 147 percent. To be fair, the \$7.6 billion in 1991 dollars would translate to \$11.4 billion today, but that still means the brainiacs in Hartford are spending 65% more than they were in 1991.

The point is that government knows how to get bigger. Try as they might to slim down, the natural order of things will always take over and ensure they grow larger than anyone thought possible. The only way to stop that, or at least slow it down, is by taking away their source of food: money and power. For this very reason the voters of Washington State passed Initiative 960 in an attempt to remove the tapeworm that is attached to the lower intestine of the taxpayers.

SEC. 2 Whereas, the Democratic controlled legislature failed to implement budget cuts, curb spending, eliminate wasteful spending and continued to spend tax dollars in order to provide favors to special interest groups, with a deficit in the next biennium that is projected to be as high as \$8 billion dollars. In spite of this over \$150 million dollars was identified as pork barrel spending by the Washington Policy Center's Citizens Against Government Waste.

This serves as evidence that there was never any serious attention given to reduction in expenditures and that the legislature is committed to picking the pockets of the Washington State Tax payers while continuing to pan handle large sums of money from special interest groups.

Examples on Panhandling include:

1. Washington taxpayers are being asked to pay more than \$2.5 million for a community Inviting House, Longhouse and Museum, which would primarily benefit the Suquamish Indian tribe. Yet, the tribe's leaders are hardly short of money. They operate the nearby highly-profitable, and tax-exempt, Clearwater Casino Resort. \$1.5 million for decorative lights on the Tacoma Narrows Bridge
2. \$ 442,000 "SAyWA" advertising campaign

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3. \$142,000 for Animal Massage practitioners.
4. \$66,000 for Christmas Tree Inspections
5. \$44,687 for Medicaid Checks for Services to Dead People
6. \$31,723 Payments for paying WA State Ferry Employees to Ride the Ferry after Work
7. \$254,694 Pension Payments to Dead People
8. \$19,050 For Sole-Source Contract to Review Governor's Communication Operation which appears to be another quid pro quo scenario since the principal owners of the firm gave a total of \$2,922 in campaign donations to the governor. This contract comes on top of an earlier contract of \$12,000 to another consultant to review the Governor's communications operations and relations with the press.

Examples of Pick Pocketing include:

1. B&O tax increase on service businesses.
2. Limit on preferential B&O rate for manufacture of certain agriculture products.
3. Suspension of sales tax exemption for livestock nutrient equipment and facilities.
4. Cigarette and tobacco tax increase. A tax of \$1 per pack of cigarettes has been added.
5. Tax increase on carbonated beverages. Soda and such are taxed at 2 cents per 12 ounces. The bottler is exempt from the tax on the first \$10 million sold. Tax is in effect from July 1, 2010, through June 30, 2013.
6. Sales tax on candy and gum. Candy and gum are subject to sales tax effective June 1, 2010.
7. Temporary sales tax on bottled water. From June 1, 2010, to June 20, 2013, sales tax applies to bottled water.
8. Beer excise tax. The excise tax on beer is increased from 26 cents to 76 cents per gallon. Microbreweries are exempt on the first 60,000 gallons sold.

Part II Conclusion

Washington State Laws that apply to monopolies are focused on issues related to trade and commerce. If we purchase bottled water, gum, soda pop, candy and beer, we pay tax. The tax is on our sales receipt and the more we purchase the more tax we pay. Many business, particularly in southern Washington suffer from the fact that Oregon does not possess a sales tax and many residents cross the border to purchase products to avoid paying our nationally high sales tax.

On the business side of the equation, since 2008 six countries have announced plans to cut their corporate tax rates: Canada, Hong Kong, Korea, South Africa, Spain and Taiwan. In an interview in the *Korea Times*, Choi Kyung-hwan, a member of the new Administration's Presidential Transition Committee, said, "The corporate income tax reduction is not a matter of choice, but a matter of life and death for Korea in an increasingly globalized business environment."

In a refrain that is equally applicable to the U.S., Choi went on to say, "Hong Kong and Singapore, which impose significantly lower corporate taxes than Korea, have further slashed taxes recently to draw more foreign investors. Also, France currently levies a 34.4 percent corporate income tax but plans to reduce the tax to as low as 20 percent. Unless Korea cuts corporate taxes, we will not be able to win over multinational firms."³ Note: Washington State is at 39.2%

The point is that taxes are directly related to trade and commerce. As a result, the monopoly laws that apply to trade and commerce are applicable in regards to the actions of Governor Gregoire and the Democratic majority in the Washington State legislature in regards to suspending I-960 and passing laws to increase taxes that directly impact trade and commerce. We contend that the actions of Governor Gregoire and the Democratic legislators vote to suspend I-960 to be a violation of the following RCW's

RCW 19.86.020 Unfair competition, practices, declared unlawful. Unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.

RCW 19.86.040 Monopolies and attempted monopolies declared unlawful. It shall be unlawful for any person to monopolize, or attempt to monopolize or combine or conspire with any other person or persons to monopolize any part of trade or commerce.

RCW 19.86.093 Civil action — Unfair or deceptive act or practice — Claim elements. In a private action in which an unfair or deceptive act or practice is alleged under RCW 19.86.020, a claimant may establish that the act or practice is injurious to the public interest because it: (3)(a) Injured other persons; (b) had the capacity to injure other persons; or (c) has the capacity to injure other persons.

By conspiring to create a monopoly, we contend that Governor Gregoire in conjunction with the Democratic members of the Washington State Legislature, violated RCW 19.86.020, RCW 19.86.040, RCW 19.86.093 and caused financial injury to the citizens of Washington State.

One specific example is that the Business and Occupation Tax know to be the most repressive tax in Washington State history. On July of 2005, Governor Gregoire stated during a meeting with the Clark County High-Tech Council that she was looking for ways to reform the B&O tax to make it less onerous on business and four years later in February of 2009, in a speech to the Association of Washington Business, Governor Gregoire stated that she would like to overhaul the business and occupation tax, calling the tax, "ill-conceived" and harmful to small businesses.

By creating a monopoly to illegally suspend Initiative 960, the Democratic Party was able to pass a number tax increases. One in particular was to raise the B&O taxes by 20% on service industries which Governor Gregoire repeatedly admitted was harmful to small business. This clearly violates RCW 19.86.093 (3)(a)(b)(c).

Unfortunately, collusion and violation of monopoly laws for which individuals in the private sector are prosecuted are conducted as standard operating procedures in Olympia. As a result, it is time to tax the tapeworm that is attached to the lower intestine of the tax payers.