Initiative Measure No. 1069

FILED

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SECRETARY OF STATE
STATE OF WASHINGTON

Replace the Seal of the State of Washington

An act relating to changing the Seal of the State of Washington from the vignette of General George Washington as the central figure, and beneath the vignette the figures "1889" to a tapeworm dressed in a three piece suit attached to the lower intestine of the taxpayer as the central figure and encircling the vignette the words "Committed to sucking the life blood out of each and every tax payer." Amending RCW 1.20.080 and adding a new section.

Complete Text

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON

Intent

New Section 1. Whereas Washington State has lost a significant portion of our industrial base resulting in a high unemployment rate, our state government continues to grow and spend at unsupportable rates by increasing taxes at a time when our citizens can least afford it. No sensible case can be made for increasing taxes and failing to stream line our state government. Not one of these taxes existed 100 years ago, and our state and our nation was the most prosperous in the world. We had absolutely no national debt and had the largest middle class in the world

(1) The Tax Justice Digest lists Washington State as the leader of the "Terrible Ten" states for taxes. These ten states stand out for the extraordinary degree to which they have shifted the cost of funding public investments to their very poorest residents.

(2) Whereas, the U.S. is among eight countries with extra corporate tax rates imposed by state or local levels of government. The burden of these state-level taxes is somewhat lessened in all but four states because they can be deducted from federal taxes. In the State of Washington the Business and Occupation Tax on gross receipts does not allow for a deduction for monies paid for federal taxes. As a result, our business experience double and triple taxation, in cities that also charge businesses a B&O Tax.

(3) Whereas Washington State does not cut its business taxes in the next year, the U.S. federal rate would have to be cut to 20 percent in order to bring the combined federal-state rate down to a level for our business to compete with the European Economic Community. Our state officials fail to be cognizant of the fact that we are not only competing against other states for investment and jobs, but against the rest of the world. The emerging low-tax countries in Europe and Asia benefit from our high tax rates. In just the past year, at least six countries have announced plans to cut their corporate tax rates: Canada, Hong Kong, Korea, South Africa, Spain and Taiwan. In the end, the key to improving Washington's business tax competitiveness is to work toward the common goal of lowering the overall business tax burden. Otherwise, the businesses in our state will continue to fall behind in the global tax race.

(4) Whereas there are only four states that have a Gross Receipt Tax, known in Washington as the Business and Occupation Tax due to the repressive nature. Of the four remaining states Washington has the worst corporate tax rate of these four. A comparison of the states that have GRT:

(a) Delaware: Retail can deduct $80,000 per month. Manufactures can deduct $1,000,000 per month.
(b) Kentucky: Business can choose between Gross Receipts and Gross Profits. Under $3M are exempt.
(c) Ohio: Business under $150,000 is exempt; those with receipts between $150,000 and$1M pay $150.
(d) Washington: The worst tax of all 4 GRT states. Business under $28,000 exempt.

(e) A business in Washington State pays $15,000 for a million dollars in business. By comparison they would only pay $150 if they operated their business in Ohio, the second workst state. The government of The State of Washington fails to provide an environment that allows our citizens to economically compete in the global market by eliminating the B&O tax which discourages capital investment by our businesses and discourages purchases of capital equipment which are directly related to growth and employment.

(5) Whereas Governor Gregoire in July of 2005 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 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. Eight months later, in October of 2009, she came out with 23 revenue alternatives two of which are aimed at increasing the B&O Tax which earlier in the year she said was "ill-conceived" and harmful to small businesses.

(6) Whereas the citizens of our state are currently paying in excess of forty taxes and the State of Washington continues to invent new ways to tax the citizens by proposing twenty three revenue alternatives.

Section 2. RCW 1.20.080 is amended to read as follows:

~~The seal of the state of Washington shall be, a seal encircled with the words: "The Seal of the State of Washington," with the vignette of General George Washington as the central figure, and beneath the vignette the figures "1889" and shall be composed as appears in the illustration below: (For the illustration, please refer to paperback RCW.) [1967 ex.s. c 65 § 1.]~~

The Seal of the State of Washington shall be a seal encircled with the words: Committed to sucking the life blood out of each and every tax payer," with the vignette of a tapeworm dressed in a three piece suit attached to the lower intestine of the taxpayer as the central figure. (For the illustration, it will be selected from submissions submitted by the tax payers.)