

Initiative Measure No. 1491

Filed April 16, 2022

NO TAXES BASED ON AN INDIVIDUAL'S PERSONAL INCOME ACT

AN ACT Relating to taxes based on an individual's personal income; adding a new section to chapter 82.32 RCW; adding a new section to chapter 36.16 RCW; adding a new section to chapter 36.32 RCW; adding a new section to chapter 35.22 RCW; adding a new section to chapter 35.23 RCW; adding a new section to chapter 35.17 RCW; adding a new section to chapter 35A.12 RCW; adding a new section to chapter 35A.13 RCW; adding a new section to chapter 35.18 RCW; adding a new section to chapter 35.27 RCW; adding a new section to chapter 82.04 RCW; adding a new section to chapter 50A.10 RCW; adding a new section to chapter 50B.04 RCW; adding a new section to chapter 51.16 RCW; creating new sections; and repealing RCW 82.87.040.

INTENT

NEW SECTION. **Sec. 1.** Washington voters have voted 10 times against taxes based on an individual's personal income. This initiative gives voters the opportunity to reaffirm their strong opposition to taxes based on an individual's personal income.

Opponents may say this initiative forever stops taxes based on an individual's personal income by state government. It's not true – this initiative institutes laws to stop such taxes but it cannot and does not stand in the way of the legislature proposing a constitutional amendment that authorizes such taxes with voter approval.

Opponents may say this initiative forever stops taxes based on an individual's personal income by counties, cities, and port districts. It's not true – this initiative institutes laws to stop such taxes but it cannot and does not stand in the way of the legislature proposing a constitutional amendment that authorizes such taxes with voter approval.

Opponents may say this initiative eliminates the taxes based on an individual's personal income imposed by the 2021 Legislature. It is true that this initiative repeals those taxes because they were based on an individual's personal income. This initiative is all about instituting laws to stop taxes based on an individual's personal income and section 3 of this initiative is consistent with that. But this initiative cannot and does not

stand in the way of the legislature proposing a constitutional amendment that authorizes such taxes with voter approval.

Opponents may say this initiative eliminates the taxes based on an individual's personal income imposed by cities, including the city of Seattle. It is true that this initiative nullifies city taxes based on an individual's personal income and chapter 5.38 of the Seattle Municipal Code imposes taxes based on an individual's personal income. This initiative is all about instituting laws to stop taxes based on an individual's personal income and the sections of this initiative that stop city taxes based on an individual's personal income are consistent with that. But this initiative cannot and does not stand in the way of the legislature proposing a constitutional amendment that authorizes such taxes with voter approval.

Opponents may say this initiative eliminates business and occupation taxes. That's not true. Business and occupation taxes are based on gross receipts, not on an individual's personal income, so are not affected by this initiative (see section 13).

Opponents may say that this initiative eliminates premiums for Family and Medical Leave premiums, Long-Term Care premiums, and Industrial Insurance premiums. That's not true. None of those are taxes based on an individual's personal income and this initiative does not amend any of the relevant statutes and therefore does not affect those (see sections 14, 15, and 16).

Whether called income taxes, payroll taxes, or excise taxes, if they are taxes based on an individual's personal income, the great majority of voters want to institute laws stopping them. But this initiative cannot and does not stand in the way of the legislature proposing a constitutional amendment that authorizes such taxes with voter approval.

STOPPING STATE TAXES BASED ON AN INDIVIDUAL'S PERSONAL INCOME

NEW SECTION. **Sec. 2.** A new section is added to chapter 82.32 RCW to read as follows:

(1) The state is prohibited from imposing or collecting taxes based on an individual's personal income.

(2) For purposes of this section, "taxes based on an individual's personal income" is defined as any tax that is based on an individual's or household's personal income, whether net, gross, or adjusted gross income, capital gains income, or any other portion, or type of income and therefore includes a 7% tax on capital gains enacted in 2021.

(3) Such a prohibition applies to taxes based on an individual's personal income whether imposed on taxpayers or

imposed on taxpayers' employers and whether called an income tax, payroll tax, or excise tax.

(4) This prohibition is to be construed broadly by any reviewing court to affect the policy of this state that there exist absolute clarity and certainty in state law that there is no authority for the state to impose or collect any tax based on an individual's personal income.

NEW SECTION. Sec. 3. RCW 82.87.040 (Tax imposed—Long-term capital assets) and 2021 c 196 s 5, as existing and hereafter amended, imposed a tax based on an individual's personal income in violation of section 2 of this act and so are each repealed. This section applies retroactively to January 1, 2022, as well as prospectively.

STOPPING COUNTY TAXES BASED ON AN INDIVIDUAL'S PERSONAL INCOME

NEW SECTION. Sec. 4. A new section is added to chapter 36.16 RCW to read as follows:

(1) Any county is prohibited from imposing or collecting taxes based on an individual's personal income.

(2) For purposes of this section, "taxes based on an individual's personal income" is defined as any tax that is based on an individual's or household's personal income, whether net, gross, or adjusted gross income, capital gains income, or any other portion, or type of income.

(3) Such a prohibition applies to any tax based on an individual's personal income whether called an income tax, payroll tax, or excise tax and whether imposed on taxpayers or imposed on taxpayers' employers.

(4) This prohibition is to be construed broadly by any reviewing court to affect the policy of this state that there exist absolute clarity and certainty in state law that there is no authority for any county to impose or collect any tax based on an individual's personal income.

NEW SECTION. Sec. 5. A new section is added to chapter 36.32 RCW to read as follows:

(1) Any county is prohibited from imposing or collecting taxes based on an individual's personal income.

(2) For purposes of this section, "taxes based on an individual's personal income" is defined as any tax that is based on an individual's or household's personal income, whether net,

gross, or adjusted gross income, capital gains income, or any other portion, or type of income.

(3) Such a prohibition applies to any tax based on an individual's personal income whether called an income tax, payroll tax, or excise tax and whether imposed on taxpayers or imposed on taxpayers' employers.

(4) This prohibition is to be construed broadly by any reviewing court to affect the policy of this state that there exist absolute clarity and certainty in state law that there is no authority for any county to impose or collect any tax based on an individual's personal income.

STOPPING CITY TAXES BASED ON AN INDIVIDUAL'S PERSONAL INCOME

NEW SECTION. **Sec. 6.** A new section is added to chapter 35.22 RCW to read as follows:

(1) Any city is prohibited from imposing or collecting taxes based on an individual's personal income.

(2) For purposes of this section, "taxes based on an individual's personal income" is defined as any tax that is based on an individual's or household's personal income, whether net, gross, or adjusted gross income, capital gains income, or any other portion, or type of income.

(3) Such a prohibition applies to any tax based on an individual's personal income whether called an income tax, payroll tax, or excise tax and whether imposed on taxpayers or imposed on taxpayers' employers.

(4) This prohibition is to be construed broadly by any reviewing court to affect the policy of this state that there exist absolute clarity and certainty in state law that there is no authority for any city to impose or collect any tax based on an individual's personal income.

NEW SECTION. **Sec. 7.** A new section is added to chapter 35.23 RCW to read as follows:

(1) Any city is prohibited from imposing or collecting taxes based on an individual's personal income.

(2) For purposes of this section, "taxes based on an individual's personal income" is defined as any tax that is based on an individual's or household's personal income, whether net, gross, or adjusted gross income, capital gains income, or any other portion, or type of income.

(3) Such a prohibition applies to any tax based on an individual's personal income whether called an income tax, payroll tax, or excise tax and whether imposed on taxpayers or imposed on taxpayers' employers.

(4) This prohibition is to be construed broadly by any reviewing court to affect the policy of this state that there exist absolute clarity and certainty in state law that there is no authority for any city to impose or collect any tax based on an individual's personal income.

NEW SECTION. **Sec. 8.** A new section is added to chapter 35.17 RCW to read as follows:

(1) Any city is prohibited from imposing or collecting taxes based on an individual's personal income.

(2) For purposes of this section, "taxes based on an individual's personal income" is defined as any tax that is based on an individual's or household's personal income, whether net, gross, or adjusted gross income, capital gains income, or any other portion, or type of income.

(3) Such a prohibition applies to any tax based on an individual's personal income whether called an income tax, payroll tax, or excise tax and whether imposed on taxpayers or imposed on taxpayers' employers.

(4) This prohibition is to be construed broadly by any reviewing court to affect the policy of this state that there exist absolute clarity and certainty in state law that there is no authority for any city to impose or collect any tax based on an individual's personal income.

NEW SECTION. **Sec. 9.** A new section is added to chapter 35A.12 RCW to read as follows:

(1) Any city is prohibited from imposing or collecting taxes based on an individual's personal income.

(2) For purposes of this section, "taxes based on an individual's personal income" is defined as any tax that is based on an individual's or household's personal income, whether net, gross, or adjusted gross income, capital gains income, or any other portion, or type of income.

(3) Such a prohibition applies to any tax based on an individual's personal income whether called an income tax, payroll tax, or excise tax and whether imposed on taxpayers or imposed on taxpayers' employers.

(4) This prohibition is to be construed broadly by any reviewing court to affect the policy of this state that there exist absolute clarity and certainty in state law that there is no authority for any city to impose or collect any tax based on an individual's personal income.

NEW SECTION. **Sec. 10.** A new section is added to chapter 35A.13 RCW to read as follows:

(1) Any city is prohibited from imposing or collecting taxes based on an individual's personal income.

(2) For purposes of this section, "taxes based on an individual's personal income" is defined as any tax that is based on an individual's or household's personal income, whether net, gross, or adjusted gross income, capital gains income, or any other portion, or type of income.

(3) Such a prohibition applies to any tax based on an individual's personal income whether called an income tax, payroll tax, or excise tax and whether imposed on taxpayers or imposed on taxpayers' employers.

(4) This prohibition is to be construed broadly by any reviewing court to affect the policy of this state that there exist absolute clarity and certainty in state law that there is no authority for any city to impose or collect any tax based on an individual's personal income.

NEW SECTION. **Sec. 11.** A new section is added to chapter 35.18 RCW to read as follows:

(1) Any city is prohibited from imposing or collecting taxes based on an individual's personal income.

(2) For purposes of this section, "taxes based on an individual's personal income" is defined as any tax that is based on an individual's or household's personal income, whether net, gross, or adjusted gross income, capital gains income, or any other portion, or type of income.

(3) Such a prohibition applies to any tax based on an individual's personal income whether called an income tax, payroll tax, or excise tax and whether imposed on taxpayers or imposed on taxpayers' employers.

(4) This prohibition is to be construed broadly by any reviewing court to affect the policy of this state that there exist absolute clarity and certainty in state law that there is no authority for any city to impose or collect any tax based on an individual's personal income. |

STOPPING PORT DISTRICT TAXES BASED ON AN INDIVIDUAL'S PERSONAL INCOME

NEW SECTION. **Sec. 12.** A new section is added to chapter 51.16 RCW to read as follows:

(1) Any port district is prohibited from imposing or collecting taxes based on an individual's personal income.

(2) For purposes of this section, "taxes based on an individual's personal income" is defined as any tax that is based on an individual's or household's personal income, whether

net, gross, or adjusted gross income, capital gains income, or any other portion, or type of income.

(3) Such a prohibition applies to any tax based on an individual's personal income whether called an income tax, payroll tax, or excise tax and whether imposed on taxpayers or imposed on taxpayers' employers.

(4) This prohibition is to be construed broadly by any reviewing court to affect the policy of this state that there exist absolute clarity and certainty in state law that there is no authority for any port district to impose or collect any tax based on an individual's personal income.

TAXES AND PREMIUMS NOT AFFECTED BY THIS ACT

NEW SECTION. Sec. 13. A new section is added to chapter 82.04 RCW to read as follows:

Business and occupation taxes levied under this chapter are not taxes based on an individual's personal income and so are unaffected by this act.

NEW SECTION. Sec. 14. A new section is added to chapter 50A.10 RCW to read as follows:

Family and medical leave premiums levied under this chapter are not taxes based on an individual's personal income and so are unaffected by this act.

NEW SECTION. Sec. 15. A new section is added to chapter 50B.04 RCW to read as follows:

Long-term care premiums levied under this chapter are not taxes based on an individual's personal income and so are unaffected by this act.

NEW SECTION. Sec. 16. A new section is added to chapter 51.16 RCW to read as follows:

Industrial insurance premiums levied under this chapter are not taxes based on an individual's personal income and so are unaffected by this act.

CONSRUCTION CLAUSE

NEW SECTION. Sec. 17. The provisions of this act are to be liberally construed to effectuate the policies, purposes, and intent of this act.

SEVERABILITY CLAUSE

NEW SECTION. **Sec. 18.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

TITLE OF ACT

NEW SECTION. **Sec. 19.** This act is known and may be cited as the No Taxes Based on an Individual's Personal Income Act.

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