

Resolution in Support of Fixing Washington State's Unfair Tax System

1 **WHEREAS** Washington State relies on the sales tax, the Business & Occupation
2 Tax, and property taxes to fund state government (see A Citizen's Guide to the
3 Washington State Budget); and

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5 **WHEREAS** sales taxes are **regressive** - meaning that the middle class and the
6 poor pay a higher proportion of their income in sales tax than do the well-to-do;
7 and

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9 **WHEREAS** the Business & Occupation tax is also regressive, because it taxes
10 revenue, not profit, and thus favors profitable corporations over struggling small
11 businesses; and

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13 **WHEREAS** the Institute on Taxation and Economic Policy says that Washington
14 State **has the most regressive tax system in the nation**: the poorest 20% of the
15 non-elderly Washingtonians pay 17% of their income in state taxes; the richest 1%
16 pay under 3% of their income in state taxes. (source); and

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18 **WHEREAS** the state desperately needs a reliable source of funds to pay for
19 education pursuant to the State Supreme Court decision in the McCleary case,
20 which declares that the legislature is underfunding K-12 education; and

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22 **WHEREAS** in recent years the state has had to slash funding for social services
23 and for higher education, causing suffering among vulnerable people, threatening
24 our prosperity and safety, and drastically raising the cost of a college education;
25 and

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27 **WHEREAS** when voters in 2010 rejected I-1098, the initiative to establish a high
28 earners' income tax in Washington State, most voters were voting against their
29 own self-interest, because only the richest 2% of citizens would have seen their
30 taxes rise; and

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32 **WHEREAS** our political leaders are averse to discussing the issue, and only a few
33 advocacy groups have spoken up about it; and

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35 **WHEREAS** as of November 18, 2013, over 3800 people have signed the
36 MoveOn.org petition Let's Fix Our Unfair Tax System in Washington State, and

37 hundreds of those signers wrote passionate comments which you can read here;
38 and

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40 **WHEREAS** there are proposals under discussion to institute a carbon tax, a
41 capital gains tax, and a tax expenditure budget; and

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43 **WHEREAS** the last time the governor and the legislature undertook a thorough
44 investigation of the tax system was in 2002, with the Gates Commission hearings;
45 and

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47 **WHEREAS** a tax study commission that holds hearings around the state and
48 makes recommendations to the governor and legislature would raise awareness of
49 these issues and increase the likelihood of action being taken to fix our unfair tax
50 system;

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52 **THEREFORE BE IT RESOLVED** that the Washington State Democratic Central
53 Committee urges the legislature to create a new tax study commission and asks
54 Governor Inslee and the legislators to address the issue of fair taxation in
55 speeches, in newsletters, and via legislation.

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58 Submitted by the 30th Legislative District Democrats to the Washington State Democratic Central
59 Committee for consideration at its February 1, 2014 meeting in Vancouver. (Date Submitted 1/12/2014)

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61 The WSDCC Resolutions Committee "RECOMMENDED A PASS" on this resolution at its February 1,
62 2014 meeting in Vancouver.

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64 This resolution was passed by the WSDCC at its February 1, 2014 meeting in Vancouver.

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66 A Citizen's Guide to the Washington State Budget

67 <http://www.leg.wa.gov/Senate/Committees/WM/Documents/2013%20CGTB.pdf>

68 Gates Commission

69 http://dor.wa.gov/content/aboutus/statisticsandreports/wataxstudy/final_report.htm

70 Let's fix our unfair tax system in Washington State

71 <http://petitions.moveon.org/sign/educate-washingtonians>

72 tax expenditure budget

73 <http://petitions.moveon.org/sign/tax-loophole-reform>