



# Seattle Passes Income Tax on Rich; Lawsuit to Follow

On Monday, the Seattle, Washington City Council unanimously passed an income tax targeting the rich despite constitutional and legislative prohibitions on doing so, making a court challenge to the tax almost inevitable.

According to the <u>Seattle Times</u>, "The measure applies a 2.25-percent tax on total income above \$250,000 for individuals and above \$500,000 for married couples filing their taxes together." The city expects the tax to raise about \$140 million a year — assuming the well-off don't flee the city — with the revenue to be used "to lower property taxes and other regressive taxes; address homelessness; provide affordable housing, education and transit; replace federal funding lost through budget cuts; create green jobs and meet carbon-reduction goals; and administer the tax."



The bill still has to be signed by Mayor Ed Murray, but that appears to be a foregone conclusion. Murray proposed the bill and praised its passage in a statement, saying Seattle is "challenging this state's antiquated and unsustainable tax structure by passing a progressive income tax" — one of the 10 planks of the *Communist Manifesto*.

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The tax will affect at least 11,000 Seattleites; that is the number of individuals with earned annual incomes of at least \$250,000, according to the *Times*. However, since the tax applies to both earned and unearned income, it is likely to be levied on even more people. Then there's always the matter of bracket creep as people's incomes increase because of inflation, plus the fact that income taxes invariably start out small and aimed at the rich but eventually grow to encompass more individuals and larger proportions of their income.

Supporters argue that the tax is necessary because the state's tax structure is highly regressive. "In 2015," wrote the *Times*, "Washington households with incomes below \$21,000 paid 16.8 percent of their income in state and local taxes, on average, while households with income above \$500,000 paid only 2.4 percent."

The solution to this problem, of course, is not to raise taxes on the rich but to cut taxes for everyone. Seattle's budget has increased 33 percent in the last four years; surely some spending could be trimmed so that taxes could be reduced. Yet just last month, the same city council that claims to be so terribly concerned about regressive taxes passed a new tax on <u>sugary sodas</u>, which will also hit the poor hardest.



### Written by Michael Tennant on July 11, 2017



But instead of cutting spending and taxes, city officials have taken the usual left-wing tack of appealing to envy, an approach that clearly succeeded in getting the public on their side. A <u>June poll</u> by KING 5/KUOW found that 66 percent of Seattleites favored the tax, undoubtedly agreeing with 79-year-old Bobby Righi, who told the council and an appreciative crowd Monday, "It's time for the rich to pay their fair share."

Tax opponents have vowed to take the city to court over the measure, arguing it violates the state constitution, which requires taxing property at a uniform rate; state law, which prohibits cities from taxing income; and various court precedents — not to mention the wishes of Washington voters, who have rejected an income tax nine times.

Proponents believe they may have a shot at overcoming these obstacles by carefully wording the tax legislation — it taxes total income, while the state law only forbids taxing net income — and by taking the matter to "the liberally configured Washington State Supreme Court," in the words of the tax-fighting <a href="Freedom Foundation">Freedom Foundation</a>. One councilwoman even suggested "pack[ing] the courts" to make sure the tax is upheld.

"We are greatly disappointed the Seattle City Council voted to impose a clearly illegal and unnecessary income tax," Dann Mead Smith, president of the Washington Policy Center, which opposes the tax, said in a <u>statement</u>. "As a life-long Seattle resident, it is frustrating to see the Seattle City Council choose to waste taxpayer dollars on lawsuits for an income tax that is not needed."

The Left, however, never hesitates to use any means necessary to impose its will upon the rest of the population. Its opponents, therefore, will need to be equally combative if Seattle is not to be saddled with this destructive tax.

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