Initiative Measure No. 1506 Filed April 21, 2022

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: I-4514.1/22

ATTY/TYPIST: CL:eab

BRIEF DESCRIPTION:

Initiative Measure No. 1506 Filed April 21, 2022

AN ACT Relating to repealing the tax on capital gains income authorized in chapter 82.87 RCW; creating new sections; repealing RCW 82.87.010, 82.87.020, 82.87.030, 82.87.040, 82.87.050, 82.87.060, 82.87.070, 82.87.080, 82.87.090, 82.87.100, 82.87.110, 82.87.120, 82.87.130, 82.87.140, 82.87.150, and 82.04.4497; and repealing 2021 c 196 ss 18 and 20 (uncodified).

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** The people find that:

(1) Voters in the state of Washington have rejected proposals to impose a personal or corporate income tax 10 times between 1934 and 2010;

(2) In 2021, the legislature passed and the governor signed a bill imposing a tax on certain capital gains income, codified as chapter 82.87 RCW;

(3) In a November 2021 advisory vote, voters rejected the new tax by over 60 percent;

(4) Despite this advisory vote, the legislature has not repealed the new tax on capital gains income; and

(5) The people of the state of Washington are concerned the legislature will continue to try to impose taxes on different forms of income, despite the voters repeatedly rejecting such taxes.

NEW SECTION. **Sec. 2.** The following acts or parts of acts are each repealed:

(1)RCW 82.87.010 (Findings——Intent——2021 c 196) and 2021 c 196 s 1;

(2)RCW 82.87.020 (Definitions) and 2021 c 196 s 4;

(3)RCW 82.87.030 (Distribution of revenues) and 2021 c 196 s 2;

(4) RCW 82.87.040 (Tax imposed—Long-term capital assets) and 2021 c 196 s 5;

(5) RCW 82.87.050 (Exemptions) and 2021 c 196 s 6;

(6) RCW 82.87.060 (Deductions) and 2021 c 196 s 7;

(7) RCW 82.87.070 (Qualified family-owned small business deduction) and 2021 c 196 s 8;

(8) RCW 82.87.080 (Charitable donation deduction) and 2021 c 196 s 9;

(9) RCW 82.87.090 (Other taxes) and 2021 c 196 s 10;

(10) RCW 82.87.100 (Allocation of long-term capital gains and losses—Credit) and 2021 c 196 s 11;

(11) RCW 82.87.110 (Filing of returns—Additional documentation—Penalty) and 2021 c 196 s 12;

(12) RCW 82.87.120 (Joint filers—Separate filers—Tax liability) and 2021 c 196 s 13;

(13) RCW 82.87.130 (Administration of taxes) and 2021 c 196 s 14;

(14) RCW 82.87.140 (Tax criminal penalties) and 2021 c 196 s 15;

(15) RCW 82.87.150 (Annual adjustments) and 2021 c 196 s 17;

(16) RCW 82.04.4497 (Credit—Sale or exchange of long-term capital assets) and 2021 c 196 s 16;

(17) 2021 c 196 s 18 (uncodified); and

(18) 2021 c 196 s 20 (uncodified).

NEW SECTION. **Sec. 3.** This act applies retroactively to January 1, 2022, as well as prospectively.

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