

**Initiative Measure No. IP25-288**

**Filed April 21, 2025**

**TERM LIMITS ON TAX INCREASES**

**COMPLETE TEXT**

AN ACT Relating to state tax increases; amending RCW 82.32.805 and 43.135.034; and creating new sections.

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

**INTENT**

NEW SECTION. **Sec. 1.** The people want to ensure short-term and long-term protection from state tax increases for individuals, families, businesses, and our state's economy.

This measure concerns state tax increases. This measure requires state tax increases to expire after one year unless approved by two-thirds legislative vote or majority popular vote, and terminates increases imposed in 2025 without such approval.

The people want to make sure tax increases are a last resort.

**EXPIRATION DATES ON TAXES**

**Sec. 2.** RCW 82.32.805 and 2013 2nd sp.s. c 13 s 1701 are each amended to read as follows:

Tax preferences-Expiration dates.

(1) (a) Except as otherwise provided in this section, every new tax preference expires on the first day of the calendar year that is subsequent to the calendar year that is ten years from the effective date of the tax preference. With respect to any new property tax exemption, the exemption does not apply to taxes levied for collection beginning in the calendar year that is subsequent to the

calendar year that is ten years from the effective date of the tax preference.

(b) A future amendment that expands a tax preference does not extend the tax preference beyond the period provided in this subsection unless an extension is expressly and unambiguously stated in the amendment.

(2) Subsection (1) of this section does not apply if legislation creating a new tax preference includes an expiration date for the new tax preference.

(3) Subsection (1) of this section does not apply to any existing tax preference that is amended to clarify an ambiguity or correct a technical inconsistency. Future enacted legislation intended to make such clarifications or corrections must explicitly indicate this intent.

(4) For the purposes of this section, the following definitions apply:

(a) "New tax preference" means a tax preference that initially takes effect after August 1, 2013, or a tax preference in effect as of August 1, 2013, that is expanded or extended after August 1, 2013, even if the expanding or extending amendment includes any other change to the tax preference.

(b) "Tax preference" has the same meaning as in RCW 43.136.021 with respect to any state tax administered by the department, except does not include the Washington estate and transfer tax in chapter 83.100 RCW.

(5) The department must provide written notice to the office of the code reviser of a ten-year expiration date required under this section for a new tax preference.

Tax increases—Expiration dates.

(6) Any tax increase enacted by the legislature expires one year from the effective date of the tax increase unless approved by a two-thirds legislative vote or majority popular vote. Pursuant to the referendum power set forth in Article II, section 1(b) of the state Constitution, tax increases of any duration may, by a majority vote of the legislature, be referred to the voters for their

approval or rejection at an election.

(7) Any tax increase enacted by the legislature in 2025 must expire on the effective date of this act unless that tax increase is approved by a two-thirds legislative vote or majority popular vote.

(8) Once a tax increase expires under this section, the department of revenue may not collect revenue from such a tax increase.

(9) The department of revenue must provide written notice to the office of the code reviser of a tax increase's expiration date.

(10) For the purposes of this chapter, the following definitions apply:

(a) "Tax increase" means any action or combination of actions by the state legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund; and

(b) "Majority popular vote" means approval by a simple majority vote of the people at an election.

NEW SECTION. Sec. 3. RCW 43.135.034 and 2023 c 102 s 30 are each amended to read as follows:

(1) Any tax increase enacted by the legislature expires one year from the effective date of the tax increase unless approved by a two-thirds legislative vote or majority popular vote. Pursuant to the referendum power set forth in Article II, section 1(b) of the state Constitution, tax increases of any duration may, by a majority vote of the legislature, be referred to the voters for their approval or rejection at an election.

(2) Any tax increase enacted by the legislature in 2025 must expire on the effective date of this act unless that tax increase is approved by a two-thirds legislative vote or majority popular vote.

(3) Once a tax increase expires under this section, the department of revenue may not collect revenue from such a tax increase.

(4) The department of revenue must provide written notice to the office of the code reviser of a tax increase's expiration date.

~~((1))~~ (5) For the purposes of this chapter, "raises taxes" or "tax increase" means any action or combination of actions by the state legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund.

~~((2))~~ (6) The state or any political subdivision of the state may not impose any tax on intangible property listed in RCW 84.36.070 as that statute exists on January 1, 1993.

NEW SECTION.   **Sec. 4.**   The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

NEW SECTION.   **Sec. 5.**   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.

NEW SECTION.   **Sec. 6.**   This act is known and may be cited as the Term Limits on Tax Increases Act.

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