

INITIATIVE 195

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 195 to the Legislature is a true and correct copy as it was received by this office.

1 AN ACT relating to revenue and taxation; adding a new chapter to
2 Title 84 RCW; repealing chapters 82.02, 82.03, 82.04, 82.08, 82.12,
3 82.14, 82.14A, 82.14B, 82.16, 82.18, 82.19, 82.21, 82.23A, 82.23B,
4 82.24, 82.26, 82.27, 82.29A, 82.34, 82.35, 82.36, 82.37, 82.38, 82.41,
5 82.42, 82.44, 82.45, 82.46, 82.47, 82.48, 82.49, 82.50, 82.52, 82.56,
6 82.60, 82.61, 82.62, 82.63, 82.64, 82.65, 82.65A, 82.80, 82.98, 83.100,
7 83.110, including all chapters under Title 84, and all other session
8 law bases to the extent of conflict, under the Revised Code of
9 Washington 1995; prescribing penalties and making an appropriation.

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

11 NEW SECTION. **Sec. 1.** We, duly registered Voters in the State of
12 Washington, do hereby declare the existence of a CATASTROPHIC
13 EMERGENCY, that requires immediate action to protect our Citizens from
14 further loss of our RIGHTS guaranteed by the Constitution of Washington
15 State. Many of these rights are being denied us, through illegal
16 actions of our ELECTED OFFICIALS, resulting in a complete breakdown of
17 the POLITICAL, MORAL, and ECONOMIC STRUCTURES of our entire society.

18 THEREFORE, exercising the Legislative Powers reserved to ourselves
19 to propose bills and laws to be enacted or rejected at the polls,

1 independent of the Legislature, as set forth in ARTICLE 2. Sec., 1 of
2 the CONSTITUTION OF THE STATE OF WASHINGTON, we do hereby declare that,
3 the intent and purpose of THE 1% FLAT-RATE TRANSACTION TAX ACT, is to
4 establish A UNIFORM, TAX ON ALL TAXABLE TRANSACTIONS of individuals and
5 businesses in the State of Washington, as follows:

6 A. By repealing all RCW Chapters and Sections which grant to each
7 established taxing district the power to levy and collect: property
8 taxes, sales taxes, business and occupation taxes, state gasoline and
9 fuel taxes, hotel and motel taxes, all fees for licenses and permits,
10 including excise and special-purpose taxes, and all other taxes, tolls,
11 fees, tributes, tallages, gabelles, impost duties, customs, subsidies,
12 aids, supplies, or any collected revenue known by any other name. The
13 People of the State of Washington find that over the years our
14 legislatures and governors have sewn a patchwork quilt of revenue law
15 that does not warm our citizens evenly, nor cover some at all. We want
16 a blanket that shelters all of us equally. It is a fact that our
17 present taxing system is unable to raise the necessary revenues to pay
18 for, even the basic governmental services of public education, health
19 and human services, police and fire protection, or well maintained
20 roads and bridges. Our combined public bonded indebtedness is rising
21 to unmanageable levels; as our State and its cities and counties follow
22 the intricate trails in our revenue code into a mortgaged future.

23 Shortly before his assassination in 1865, ABRAHAM LINCOLN was
24 quoted as saying: "I fear... the safety of my country. Corporations
25 have been enthroned, an era of corruption in HIGH PLACES will follow,
26 and the MONEY POWER, of the Country will endeavor to prolong its reign
27 by working on the prejudices of the people, until the wealth is
28 aggregated in a few hands and the REPUBLIC IS DESTROYED." No one
29 listened! Then, this 'Money Power' through intrigue and deceit was
30 able to engineer the creation of the despicable FEDERAL INCOME TAX AND
31 THE INFAMOUS I.R.S. Both of these acts were accomplished in 1913,
32 resulting in our present complicated, unjust, loophole infested taxing
33 system and a staggering near SIX TRILLION DOLLAR NATIONAL DEBT, that is
34 increasing by over a BILLION daily!

35 "UNDER A REPRESENTATIVE REPUBLIC THE PEOPLE WILL GET THE WORST
36 GOVERNMENT THEY ARE WILLING TO TOLERATE and THE BEST GOVERNMENT THEY
37 ARE WILLING TO WORK FOR!" We, The People, have work to do! We will
38 use the INITIATIVE PROCESS to repeal the TAX LAWS the Legislators have

1 burdened us with, and create a simple, just tax, based on the
2 philosophy of ALEXANDER HAMILTON: taxing money as it circulates in the
3 economy...A 1% FLAT-RATE TRANSACTION TAX!

4 B. By enacting A NEW CHAPTER UNDER TITLE 84 RCW, granting the
5 State, the Counties, and the Cities the power, through their governing
6 bodies, to levy and collect taxes on all taxable transactions occurring
7 within their established taxing districts. The Revenue Department of
8 the State of Washington shall establish, by general and uniform
9 regulations, the procedures to be followed by each of the taxing
10 districts in the Counties, the Cities, and the State itself, in the
11 levying and the collection of the 1% Flat-Rate Transaction Tax. The
12 Revenue Department shall also arrange for the transfer of the State's
13 portion of the revenue collected in the Counties and the Cities, and
14 the timely deposit of said funds in the Treasury of the State of
15 Washington. The 1% Flat-Rate Transaction Tax created by this Act,
16 upholds the Constitutional limitation of 1% of the true and fair value
17 of the property transacted, however, the tax-rate may be lowered, by
18 the Revenue Department, as set forth under Section 8, of this Act.

19 C. By granting complete AMNESTY to all who have in the years past,
20 violated our State Constitution through evading their responsibility of
21 sharing in the cost of Government. Naturally, they will be paying
22 more, but, what they do pay will be at the same low rate established
23 for everyone. There are trillions of transactions occurring in the
24 marketplace daily, and with everyone participating in the payment of
25 taxes on the transactions in which they are involved, our tax-base will
26 be the broadest possible, with a tax-rate that could eventually be a
27 fraction of one percent! Businesses will prosper, new jobs will be
28 created; public services and institutions will be adequately funded;
29 and, THE STATE OF WASHINGTON CAN BECOME FINANCIALLY INDEPENDENT OF THE
30 FEDERAL GOVERNMENT AND DICTATORIAL CONTROL IT NOW HAS OVER OUR VERY
31 LIVES!

32 Our Citizens will 'walk tall' in the knowledge that our DEBT-FREE
33 status will restore our STATE'S RIGHTS, that are guaranteed us in The
34 Constitution of The United States of America! Those fifty-six great
35 patriots, who with a firm reliance on the protection of Divine
36 Providence, mutually pledged to each other their lives, their fortunes,
37 and their sacred honor, as they signed The Declaration of Independence,

1 culminating in our United States Constitution. A NEW HOPE will be
2 generated in the hearts of The People; and the State of Washington will
3 set an example for other states to follow.

4 NEW SECTION. Sec. 2. This chapter may be known and cited as The
5 1% Flat-Rate Transaction Tax Act of 1997.

6 NEW SECTION. Sec. 3. DEFINITIONS, as used in the Chapter:

7 (1) "Tax" means any pecuniary burden levied and collected by any
8 taxing authority for public use or purpose excluding fines levied as
9 penalties for offenses.

10 (2) "Taxable year" means the calendar year January 1st through
11 December 31st.

12 (3) "Transaction" or "Transacted" means the act of transferring
13 ownership or control of taxable property from one owner to another by
14 whatever means, whether by sale, by loan, by barter or contract, or by
15 receiving (without purchasing) taxable property, tangible or
16 intangible, as a gift.

17 (4) "Taxable property" means all moneys and the current
18 market-value of things other than money, whether tangible or
19 intangible, subject to ownership or control, at the time of a taxable
20 transaction.

21 (5) "Barter" means the exchange of taxable property from one owner
22 to another; usually, a trade without the involvement of money.

23 (6) "Taxpayer" means any individual or business in the State of
24 Washington, that receives money or other taxable property, as a gift,
25 or as the seller of goods or services in any taxable transaction.

26 (7) "Taxing district" means (a) The State of Washington, (b) the
27 individual Counties, and (c) all incorporated Cities authorized to levy
28 taxes under this Chapter.

29 (8) "Business" means and includes every individual, partnership,
30 corporation, association, trust, foundation, joint venture, club,
31 company, joint stock company, holding company, public or private
32 institution, and any branch thereof participating in any transaction as
33 a seller of taxable property wherever transacted.

34 (9) "Branch" means any division, subdivision, agent,
35 representative, facility (either electronic or mechanical), in the
36 State of Washington receiving taxable property for any parent business
37 wherever located.

1 (10) "Hope" means desire with the expectation of fulfillment.

2 NEW SECTION. **Sec. 4.** Taxing districts shall uniformly lay and
3 collect taxes on all taxable property (tangible or intangible)
4 transacted by each taxpayer within the boundaries of the District. A
5 FLAT-RATE TRANSACTION TAX (not to exceed the Constitutional Limit of
6 1%) shall be levied against the SELLER of the goods or services
7 involved in each and every transaction, that takes place within each
8 Taxing District. The parents of minor children, and the appointed
9 legal guardians of individuals incapable of managing their own affairs,
10 shall be responsible for reporting and paying the taxes levied on the
11 transactions in which their charges are involved.

12 NEW SECTION. **Sec. 5.** The limit of the Revenue retained by each of
13 the Taxing Districts shall be one-half (1/2) of the total amount levied
14 against each individual or business involved as the 'seller' of goods
15 or services within the boundaries of their district; the remaining half
16 of the Revenue collected is the State's portion. The aggregate of all
17 tax levies against an individual or business, by the State and any
18 Taxing District, shall not exceed one percent (1%) of the true and fair
19 value of the property transacted, and shall be consistent with the
20 Washington State Constitution, with respect to Port and Utility
21 Districts, relating to levy limitations.

22 NEW SECTION. **Sec. 6.** Each taxpayer participating in a barter
23 transaction receiving taxable property shall be subject to the tax levy
24 based on the market dollar value of the property received from this
25 transaction, since both are 'sellers'.

26 NEW SECTION. **Sec. 7.** Each taxpayer shall, on or before February
27 first of each year, file a certified declaration of the total dollar
28 value received as a seller of taxable property during the preceding
29 calendar year. However, the first declaration after the effective date
30 of this act shall include only the six months of July through December
31 of the previous calendar year.

32 NEW SECTION. **Sec. 8.** A flat rate tax of one percent shall be
33 levied upon the total market value of all taxable property transacted
34 within the boundaries of each taxing district authorized to levy taxes

1 on property (prorated between overlapping taxing districts). This levy
2 rate shall commence on July 1st of the enactment year of this law and
3 continue until all bonded indebtedness has been eliminated throughout
4 the State, after which, the Revenue Department shall use the following
5 method to establish a tax levy rate to be adopted for each succeeding
6 taxing biennium: The total market value of all taxable transactions
7 that took place within each taxing district during the preceding two
8 calendar years, is to be divided into the total amount of the approved
9 biennial budgets of all taxing districts. The percentage result will
10 establish the new tax levy rate for each succeeding two year period.
11 However, the tax rate for ANY BIENNIUM, IS NEVER TO EXCEED THE
12 CONSTITUTIONAL ANNUAL RATE LIMITATION OF 1%, of the market-value of the
13 property transacted.

14 NEW SECTION. **Sec. 9.** All revenue collected in excess of the
15 approved budgets of each taxing district shall be used to reduce any
16 outstanding indebtedness before applying it to lower the forthcoming
17 budget of the district. Prevailing bond commitment repayment
18 schedules, of each taxing district shall prevail over all budget
19 expenditures.

20 NEW SECTION. **Sec. 10.** The combined State and District levies
21 shall be collected from each business on a monthly basis. This
22 requirement may be uniformly modified by the Director of Revenue, at
23 the Director's discretion, forty-eight months after the effective date
24 of this act.

25 NEW SECTION. **Sec. 11.** Upon the written request from an employee,
26 each employer shall withhold on a monthly basis, the combined state and
27 local taxing districts' levies against all taxable property paid to
28 each/every member of the firm or business, and to each employee, or
29 others receiving money or other taxable property, in exchange for
30 services (tangible or intangible) performed for the employer. All
31 taxes withheld by the employer shall be transmitted to the designated
32 taxing authorities, on a monthly basis, and credited to each taxpayer,
33 as prepaid taxes. An annual statement showing the total amount of
34 prepaid taxes withheld, is to be furnished to each employee, by the
35 employer.

1 NEW SECTION. **Sec. 12.** Each individual taxpayer who is not covered
2 under Section 11, of this act or who has not paid the tax in full,
3 shall pay the tax on or before July 1, of each year for the preceding
4 calendar year, based on the total Market-value of the transactions in
5 which the taxpayer was involved.

6 NEW SECTION. **Sec. 13.** It is unlawful for any person to reveal,
7 disclose, or divulge any information concerning any taxpayer's return
8 to anyone except those charged with the responsibility of processing or
9 handling such information. A violation of this section constitutes a
10 gross misdemeanor.

11 NEW SECTION. **Sec. 14.** It is unlawful for any taxpayer to
12 intentionally fail or refuse to comply with the provisions of this
13 chapter. A violation of this section shall constitute a gross
14 misdemeanor.

15 NEW SECTION. **Sec. 15.** A five percent per month penalty shall be
16 assessed against any taxpayer for failure to pay the levied tax within
17 thirty days after the due date thereof.

18 NEW SECTION. **Sec. 16.** The Department of Revenue shall be
19 responsible for and is hereby authorized to adopt rules and uniform
20 procedures to carry out the requirements of this chapter. The
21 provisions of chapter 82.32 RCW, insofar as applicable and not
22 inconsistent therewith, shall apply to this chapter.

23 NEW SECTION. **Sec. 17.** There is appropriated from the general fund
24 to the Department of Revenue, immediately after the certification of
25 the passage of this act, the sum of one hundred million dollars, or so
26 much thereof as may be necessary, to carry out the provisions of this
27 act.

28 NEW SECTION. **Sec. 18.** In order to assure the sanctity of the
29 PEOPLE'S VOTE on this issue, PAPER BALLOTS, as set forth under RCW
30 29.01.006 (effective January 1, 1995) and 29.04.210, shall be used
31 statewide, at all precincts including all ABSENTEE BALLOTS.

1 NEW SECTION. **Sec. 19.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 20.** This Chapter supersedes those sections or
6 portions of sections, that are in conflict with this Chapter at the
7 time of its official validation.

8 NEW SECTION. **Sec. 21.** The following chapters and their session
9 law bases are each repealed, effective with the enactment and
10 certification of this act: 82.02, 82.03, 82.04, 82.08, 82.12, 82.14,
11 82.14A, 82.14B, 82.16, 82.18, 82.19, 82.21, 82.23A, 82.23B, 82.24,
12 82.26, 82.27, 82.29A, 82.34, 82.35, 82.36, 82.37, 82.38, 82.41, 82.42,
13 82.44, 82.45, 82.46, 82.47, 82.48, 82.49, 82.50, 82.52, 82.56, 82.60,
14 82.61, 82.62, 82.63, 82.64, 82.65, 82.65A, 82.80, 82.98, 83.100,
15 83.110, including, all chapters under Title 84, and other chapters and
16 their session law basis, to the extent of conflict, under the Revised
17 Code of Washington 1995; prescribing penalties and making an
18 appropriation.

19 NEW SECTION. **Sec. 22.** SECTIONS 1 THROUGH 22 OF THIS ACT SHALL
20 CONSTITUTE A NEW CHAPTER IN TITLE 84 RCW.

END