

Taxing the Rich: Initiative 1098

by John Messina

Washington is trying to join 43 other states in imposing some form of income tax through Initiative No. 1098. It is a modest tax and is accompanied by tax reductions in property and business taxes. The initiative, if approved by the voters, would have two brackets. The first is a five percent tax on any income above \$200,000.00 or \$400,000.00 for couples. The second bracket is nine percent tax on income above \$500,000.00 for individuals or \$1,000,000.00 for couples. The tax would raise about a billion dollars a year for education and health programs.

For years the wealthy in our state have benefitted from a patchwork of regressive taxes, that is, those that have lower income people paying taxes on a greater percentage of their income than do those of higher incomes. It is time for a change and time for the rich to pay their fair share.

William Gates, Sr., father of Washington's richest man, helped write and supports the initiative (Bill Gates also supports the initiative), but some of the wealthiest in the state oppose it, including Jeff Bezos (Amazon.com), Steve Ballmer (Microsoft), the Bartell Drug Co. Owners, and Barry Ackerley (former owner of Seattle Sonics).

Microsoft claims the tax would impair the state's ability to attract top tech talent in the future. Where will they go? Passage of the initiative will leave only six states as safe harbors from any tax on income.

This law is long overdue.