

9/16/2024

RESOLUTION NO. M-\_\_\_\_\_

A RESOLUTION expressing a collective position of the Vancouver City Council in opposition to Washington State Initiative No. 2109 which concerns taxes, and which, if passed, would repeal an excise tax imposed on the sale or exchange of certain long-term capital assets by individuals who have annual capital gains of over \$250,000.

WHEREAS, in 2021, the Washington Legislature enacted a capital gains excise tax, levied at a rate of seven percent (7%) on the sale or exchange of certain long-term capital assets, Ch. 82.87 RCW (“the Washington State capital gains tax”) which is imposed on sales and exchanges of long-term capital assets by individuals with capital gains over \$250,000; and

WHEREAS, in 2023, the Washington State Supreme Court ruled that the Washington State capital gains tax does not violate the constitutional prohibition on income taxes; and

WHEREAS, Washington’s taxation system has long been viewed as regressive – burdening those least available to pay – and Article IX, § 1 of the Washington State Constitution provides that “[i]t is the paramount duty of the state to make ample provision for the education of all children residing within its borders, without distinction or preference on account of race, color, caste, or sex; and

WHEREAS, revenue from the Washington State capital gains tax is currently set to be deposited in the education legacy trust account and the common school construction account with \$424 million in statewide funding projected to be allocated in 2025; and

WHEREAS, Washington State Initiative No. 2109, if passed, would repeal a tax set to benefit K-12 schools at the expense of wealthier Washingtonians and create a gap in K-12 education funding that will likely be shouldered at the expense of lower income taxpayers; and

WHEREAS, on September 16, 2024, following notice and publication in accordance with Washington law, the City of Vancouver held a public hearing and allowed approximately equal amounts of time for those wishing to speak in favor of, and opposition to, the proposed ballot initiative.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VANCOUVER:

Section 1. The City Council hereby expresses a collective position in opposition to Washington State Initiative No. 2109 because the Washington State capital gains tax is one of this state's few non-regressive taxes. If passed, Initiative No. 2109 would repeal a tax set to benefit K-12 schools at the expense of wealthier Washingtonians and create a gap in K-12 education funding that the City anticipates will otherwise be filled through regressive funding mechanisms.

ADOPTED at a Regular Meeting of the Vancouver City Council this 16th day of September, 2024.

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Anne McEnery-Ogle, Mayor

Attest:

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Natasha Ramras, City Clerk

Approved as to form:

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Jonathan Young, City Attorney