



Legislation Text

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CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION affirming support for progressive big business taxes to fund essential community needs; urging the Washington State Legislature to enact statewide taxes on big business and the rich without any “preemption” or other ban, limitation, or phasing out of Seattle’s ability to raise revenue through local big business taxes or other progressive revenue sources, and requesting the Office of Intergovernmental Relations communicate this resolution to Washington State Lawmakers.

WHEREAS, Washington State has the most regressive tax system in the United States, with the poorest 20 percent of families paying 17.8 percent of their income in state and local taxes compared to the richest one percent paying only three percent of their income in state and local taxes, according to the Institute on Taxation and Economic Policy report “Who Pays”; and

WHEREAS, on July 6, 2020, the Seattle City Council passed Ordinance 126108, establishing a progressive tax on Seattle’s largest businesses, which is estimated to generate \$214 million in revenue in 2021; and

WHEREAS, as of December 2020, Washington State projected a budget shortfall of approximately \$3.3 billion through 2023; and

WHEREAS, on January 19, 2021, the Office of Intergovernmental Relations presented at the Council Briefing Meeting about “State Legislative Session Updates,” and reported that Washington State legislators were discussing Senate Bill 5096, establishing a progressive tax on the capital gains of large stock market investments, and were informally discussing legislation relating to progressive taxes on the payroll of big businesses in Washington State; and

WHEREAS, on January 4, 2021, *Crosscut* reported that State legislators were concerned that a Statewide progressive big business tax would be a “double tax” on big business in Seattle, quoting legislators saying, “It remains an open question ... What happens with Seattle?” and “Likely, we’d have to carve out Seattle,” and that the state legislation might “phase out the Seattle tax over time” thereby preempting or limiting the amount or duration of progressive revenue that the City would be authorized to raise in the future; and

WHEREAS, poor and working-class people in Seattle are more than “double taxed” by regressive sales taxes, which are levied by Washington State, King County, and The City of Seattle; and

WHEREAS, working people in Seattle are more than “double taxed” by regressive property taxes, which are levied by Washington State, King County, The City of Seattle, and other jurisdictions; and

WHEREAS, *The Washington Post* reported on December 16, 2020, that “Between April and September, one of the most tumultuous economic stretches in modern history, 45 of the 50 most valuable publicly traded U.S. companies turned a profit”; and

WHEREAS, Amazon.com, the largest corporation in Seattle, reported their “Net income increased to \$6.3 billion in the third quarter” of 2020, in an October 29, 2020, press release; and

WHEREAS, other major corporations in Seattle, including F5 Networks, Starbucks, Google, and Salesforce, have reported strong financial earnings in 2020; and

WHEREAS, the Seattle City Council believes that State and local taxes in Seattle unfairly burden poor and working-class people, and believes that increased taxes on big business and the rich in Seattle would reduce the unfairness of the tax structure; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE THAT:

Section 1. The Seattle City Council supports progressive taxes, which collect revenue from big business and the super-rich, and opposes regressive taxation, which disproportionately places the tax burden on the poor, working people, ordinary homeowners, and small businesses. The Seattle City Council supports the taxation of big businesses in Seattle to fund housing, the Green New Deal, and other essential services. The Seattle City Council rejects assertions that a statewide tax on big business in addition to the City taxes on big business would constitute an unfair burden on those big businesses. The Seattle City Council recognizes that regressive taxes paid by working people, including sales taxes and property taxes, are currently levied by multiple jurisdictions.

Section 2. The Seattle City Council urges the Washington State Legislature to enact progressive taxes on big business similar to the tax on corporate payroll that was passed in Seattle in 2020. The Seattle City Council opposes any preemption or other ban or limitation on Seattle’s ability to raise revenue through big business taxes. The Seattle City Council opposes the passage of any legislation which strikes down or phases out the big business payroll taxes passed by

the City in 2020, or prohibits similar City legislation in the future.

Section 3. The Seattle City Council urges the Washington State Legislature to enact a billionaire wealth tax, and a progressive capital gains tax on the unearned income of large stock market investments. The Seattle City Council opposes any preemption or other ban or limitation on Seattle’s ability to raise revenue through capital gains taxes.

Section 4. The Seattle City Council requests that the Office of Intergovernmental Relations transmit this resolution to Washington State lawmakers.

Adopted by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its adoption this _____ day of _____, 2021.

President _____ of the City Council

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)