

Is Seattle Gaining Ground in Its Quest for an Income Tax?

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Washington has multiple longstanding case law precedents holding that income taxes violate the property tax uniformity clause of the state constitution. The state's voters have repeatedly refused to amend the uniformity clause so as to allow an income tax. Despite these formidable legal and political barriers, the City of Seattle recently adopted a local income tax. This move was challenged by several groups of would-be taxpayers and eventually struck down by a King County trial court judge. The city appealed, hoping for immediate review by the state supreme court, but the high court required review by the intermediate appellate court as the next step. That review recently resulted in another loss for the city, but the court's surprising rationale raises new concerns. Among other things, the court said the city's existing property tax could be – perhaps must be -- imposed on income. The case is expected to move on to the state supreme court.