

## Jacob Allen

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**From:** Tommy J Gantz <tommyjg@awb.org>  
**Sent:** Tuesday, November 8, 2022 9:58 AM  
**Subject:** FW: [External] Update on Capital Gains and competitiveness - minor correction  
**Attachments:** - 1007698 - Public - Letter Sent - Other - 11-7-2022.pdf; FW: JARRC Petition Letter - Citizen Action Defense Fund

JARRC is Joint Administrative Rules Review Committee, not Joint Legislative Audit Review Committee. So used to typing JLARC...my apologies for the minor error

Warm Regards,

*Tommy Gantz / Government Affairs Director, Tax & Fiscal Policy, Manufacturing AWB / PO Box 658, Olympia / WA 98507-0658  
360.943.1600 / m 360.870.2915*



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**From:** Tommy J Gantz <tommyjg@awb.org>  
**Sent:** Tuesday, November 8, 2022 9:50 AM  
**Subject:** Update on Capital Gains and competitiveness

Dear Tax & Fiscal Policy Committee,

It has been confirmed with the court clerk this morning that the state Supreme Court will hold an en banc admin conference on Nov 29 to consider the Attorney General's stay motion to allow DOR to collect the capital gains income tax in April 2023 if no final ruling on merits beforehand.

I am also attaching an email from the Joint Legislative and Audit Review Committee Jason Mercier shared with me. This email states that Rep. Thai has decided to defer a decision on Mr. Maynard's petition concerning the capital gains tax until after the legislative session, and to request that the Department of Revenue (DOR) include additional language in its proposed rule to clarify that the rule does not apply unless the Washington Supreme Court upholds the tax as constitutional and valid. The email from JLARC and letters to Mr. Maynard and DOR are attached for your review.

I'd like to share an article from the WSJ on state tax winners and losers that suggests our states competitiveness is being affected by the Capital Gains tax efforts:

***"The bad example is Washington state, which fell to 28th from 15th. The state's new 7% levy on some capital gains isn't adjusted for inflation, which means the bite will increase over time. The report notes that Washington's 'aggressive gross receipts tax and high-rate sales tax, has always been' offset in the ranking by its lack of an individual income tax. The capital gains tax is being challenged in court for violating the state constitution."***

The full article can be read here: [https://www.wsj.com/articles/state-tax-winners-and-losers-tax-foundation-business-tax-climate-index-wyoming-new-york-new-jersey-california-11667252914?mod=opinion\\_lead\\_pos1](https://www.wsj.com/articles/state-tax-winners-and-losers-tax-foundation-business-tax-climate-index-wyoming-new-york-new-jersey-california-11667252914?mod=opinion_lead_pos1)

As always if you have any questions or comments, please let me know.

Warm Regards,

*Tommy Gantz / Government Affairs Director, Tax & Fiscal Policy, Manufacturing*

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