

From: Hansen, Rep. Drew
Sent: Thursday, February 15, 2018 2:57 PM
To: Rolfes, Sen. Christine
Subject: RE: Hotline NR:

hahahahahahahaah

-----Original Message-----

From: Rolfes, Sen. Christine
Sent: Thursday, February 15, 2018 2:43 PM
To: jwgornier@outlook.com
Cc: Hansen, Rep. Drew <Drew.Hansen@leg.wa.gov>; Appleton, Rep. Sherry <Sherry.Appleton@leg.wa.gov>
Subject: RE: Hotline NR:

Here's what I found for you, Joan. You can find more information by googling "difference between income tax and capital gains"

I hope this is useful for you.

<https://www.investopedia.com/ask/answers/052015/what-difference-between-income-tax-and-capital-gains-tax.asp>

-----Original Message-----

From: jwgornier@outlook.com [<mailto:jwgornier@outlook.com>]
Sent: Thursday, February 15, 2018 1:32 PM
To: Rolfes, Sen. Christine <Christine.Rolfes@leg.wa.gov>
Subject: Hotline NR:
Importance: High

INTERNET E-MAIL DELIVERY SERVICE

TO:Christine.Rolfes@leg.wa.gov

FROM: Joan Gornier (Constituent)

STREET ADDRESS:
802 NE Mount Mystery Loop
Poulsbo, WA 98370-8031

EMAIL: jwgornier@outlook.com

PHONE: No Phone Number Provided

ISSUE: State Income and Capital Gains Taxes

MESSAGE:

I would like a written reply as to the difference between a State Income tax and a Capital Gains Tax.

From: Rolfes, Sen. Christine
Sent: Sunday, March 29, 2015 4:45 PM
To: Appleton, Rep. Sherry
Subject: Re: Constituent RR: Capital Gains Tax

Thank you.

On Mar 29, 2015, at 3:15 PM, Appleton, Rep. Sherry <Sherry.Appleton@leg.wa.gov> wrote:

I hope this helps you. Thanks for writing.

Sent from my iPhone

Begin forwarded message:

From: "Carlyle, Rep. Reuven" <Reuven.Carlyle@leg.wa.gov>
Date: March 29, 2015 at 3:05:47 PM PDT
To: "Appleton, Rep. Sherry" <Sherry.Appleton@leg.wa.gov>
Subject: RE: Constituent RR: Capital Gains Tax

The criteria of whether it is capital gains is the federal definition...so line 13 of his federal income taxes would be the specific category. Thus, if his business income generated is subject to federal capital gains tax then it would be subject to Washington's new capital gains tax as well. He also may be able to transfer those gains to an authorized retirement account which would likely make it not subject to tax but we can't suggest or imply what he should do or whether that's accurate as it takes an attorney to do so after the policy is implemented.

We are very sensitive to the issue that he's raised and are exploring policy options that might make business sales a component of exemptions we consider as we discuss this policy. Everything is on the table for negotiations.

Reuven.

Rep. Reuven Carlyle
Chair, Finance Committee

[Check out my blog](#) | [Follow me on twitter @reuvencarlyle](#)

From: Appleton, Rep. Sherry
Sent: Sunday, March 29, 2015 12:44 PM
To: Carlyle, Rep. Reuven
Subject: Fwd: Constituent RR: Capital Gains Tax

Can you give me an answer on this? Thank you.

Sent from my iPhone

Begin forwarded message:

From: "Rolfes, Sen. Christine" <Christine.Rolfes@leg.wa.gov>
Date: March 29, 2015 at 12:41:32 PM PDT
To: "bill.tanner04@gmail.com" <bill.tanner04@gmail.com>

From: Billig, Rep. Andy
Sent: Monday, January 2, 2012 10:20 PM
To: Jenkins, Rep. Laurie
Subject: RE: Feedback Needed

Looks good. I would definitely like to be a co-sponsor.

You could consider half to higher ed and half to K-12, maybe class size reduction.

Andy

From: Jenkins, Rep. Laurie
Sent: Monday, January 02, 2012 3:06 PM
To: Billig, Rep. Andy; Fitzgibbon, Rep. Joe; Stanford, Rep. Derek; Ryu, Rep. Cindy; Ladenburg, Rep. Connie; Moscoso, Rep. Luis; Lytton, Rep. Kristine; Wylie, Rep. Sharon; Hansen, Rep. Drew; Tharinger, Rep. Steve; Reykdal, Rep. Chris; Pollet, Rep. Gerry
Subject: Feedback Needed

Hey Freshman colleagues, I need your feedback.

Attached is my draft capital gains excise tax bill. I'd like your feedback. I'd also like to know if there are others you think I should run this by. I would appreciate it if you would not forward further at this point though.

The draft follows the Budget & Policy Center white paper pretty closely. It's a 5% capital gains with a \$5,000 individual (\$10,000 joint) exemption as well as an exemption for sale of primary residence.

As a placeholder, it has 50 percent into the rainy day fund, and the remainder into the education legacy account (state need grants). I wanted to focus on buying higher ed (hoping for business support or neutrality and feeling strongly that higher ed needs funding) and it's very easily scalable. I don't want to buy something that's an ongoing operational cost and not scalable because of the volatility of the source. I am, however, more than willing to focus on buying something else. The modeling that staff has done around buying down the sales tax doesn't look promising but I've asked them to look at it again. If not, I'm likely to keep some amount going to the rainy day fund and some amount going into the education legacy (or some other) account.

If this has any chance of getting heard, I need to file it early next week so quick feedback is important. Also, let me know if you'd like to be a cosponsor. Thanks! laurie

<< File: Jenkins--CapitalGains.docx >>

From: Jenkins, Rep. Laurie

Sent: Monday, January 02, 2012 10:13 AM
To: Peterson, Rick; Muhm, Jeff
Cc: Mitchell, Jeffrey
Subject: RE: cap gains excise tax

I see and agree. But, I was thinking about whether or it might make sense to create a “sales-tax buydown fund” (ok, I’m bad at naming things). The idea would be that it would take a number of years to build the fund enough to buy down the sales tax but there ought to be a way to do a regression analysis of what the cap gains excise tax would have brought in over the last 10 – 20 years and average those predictions to create some sort of rolling fund so that we could build a fund up and then know how much we’d need to put in every year to sustainably buy down the sales tax. Am I making any sense? Or, are you saying that there’s no possible way to do this unless we put every possible penny into the fund? Let me know if it would be easier to talk on the phone. laj

From: Peterson, Rick
Sent: Friday, December 23, 2011 2:05 PM
To: Jinkins, Rep. Laurie; Muhm, Jeff
Cc: Mitchell, Jeffrey
Subject: RE: cap gains excise tax

Attached are some charts on capital gain tax compared to the retail sales tax (growth rates and total amounts.) Capital gains are more volatile.

If the sales tax were to be reduced by 0.5% and replaced by a capital gains tax then a fund to protect against declines in capital gains would need to contain all the capital gain tax revenue that exceeds a 0.5% retail sales tax in order to make it through recessions. Attached is a chart showing the difference between the capital gain tax revenue and a 0.5% retail sales tax. If one saved all the difference between the capital gain tax and what a 0.5% retail sales tax would raise there would not have been enough to make up the difference during the last two recessions.

<< File: Cap Gain Tax v Sales Tax amt.pdf >> << File: Cap Gain Tax v Sales Tax growth rates.pdf >> << File: Cap Gain Tax v Sales Tax difference.pdf >>

From: Jinkins, Rep. Laurie
Sent: Monday, December 19, 2011 9:23 PM
To: Muhm, Jeff; Peterson, Rick
Subject: cap gains excise tax

Rick & Jeff—

I know that we discussed cap gains excise tax being volatile (although it would be interesting to compare its volatility with sales tax volatility . . . my guess is that it might not be all that much different). Anyway, I am wondering if there’s a way to create some sort of fund that could be used to buy down the sales tax. For example, if we could use regression analysis to predict a decades worth of capital gains tax revenue, we ought

to be able to set up a fund and require a certain minimum amount to be in it but once that minimum amount is reached we could start decreasing sales tax by .05 increments. It might be worthwhile to look at this option before putting it in the rainy day fund and or funding anything else. Is it possible? Thoughts??? laurie