

RESOLUTION NO. 2022 - 7

Prohibiting a Local Income Tax on Wages, Salaries, Investments, the Sale of Good or Service or any other Income Source

WHEREAS, Article VII, § 1 of the Washington State Constitution establishes the basic framework for taxation in the state of Washington, including what shall be permitted as a tax;

WHEREAS, after the City of Seattle attempted to enact an income tax on certain individuals applicable within its municipal boundaries, the Washington State Court of Appeals, Division I ruled in *Kunath v. City of Seattle*, 10 Wash. App. 2d 205 (2019) that such a tax, when selectively applied, was unconstitutional and governments from imposing a flat income tax; and invalid, and also invalidated the statutory prohibitions on local governments from imposing a flat income tax; and

WHEREAS, the Washington State Supreme Court denied the appeal of the *Kunath* case such that the ruling stands at this time; and

WHEREAS, the Chelan County Board of Commissioners desires to declare its position regarding the potential for local governments to impose a local income tax on its residents and businesses; and

WHEREAS, businesses large and small provide the economic lifeblood in our County, the region, state and country; and

WHEREAS, the Chelan County Board of County Commissioners knows that a strong and encouraging business climate is one of the best ways to attract and retain good businesses to employ people in family wage jobs; and

WHEREAS, imposing a local income tax may generate additional revenue in the short term, it would most likely result in less long-term revenue due to the dampening effect it would have on our businesses.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of County Commissioners of Chelan County, Washington, pursuant to the provisions of RCW 36.32.120(6) that the Board hereby adopts the following policy opposing the imposition of a local income tax:

POLICY

Board of County Commissioners of Chelan County opposes the imposition of a local income tax on the businesses and residents of unincorporated Chelan County. Such a tax would be in direct conflict with the high value Chelan County places on promoting economic development through the attraction and expansion of financially healthy, family wage paying employers. Small businesses are the backbone of our local, regional, state, and national economy and it is imperative that Chelan County not put unnecessary hurdles in the way of their success. As such, the Board of Chelan County Commissioners opposes the imposition of a local income tax in the event a local

income tax is determined legal and permissible by the Washington State Legislature or the Washington State Supreme Court.

DATED this 10TH day of January, 2022.



BOARD OF CHELAN COUNTY COMMISSIONERS

ATTEST: CARLYE BARTY



KEVIN OVERBAY, CHAIRMAN



TIFFANY GERING, COMMISSIONER



Clerk of the Board



BOB BUGERT, COMMISSIONER