

## Statements For and Against

### Statement For

For years, Bill Gates Sr. called on Olympia to reform our tax code to lower taxes for the middle class and small businesses, but his pleas were ignored. That's why Gates Sr. and civic leaders proposed I-1098, which reduces taxes for the middle class and small businesses while raising dedicated funding to restore deep cuts to education and health care.

#### **Middle Class Tax Cuts**

1098 will cut taxes for the middle class and help our economy: cut the state property tax on homeowners and businesses by \$357 million; eliminates B&O tax for small businesses: smallest 81 percent of businesses in Washington will no longer pay any B&O; income tax limited to the richest 3 percent -- by law, there will not be one penny of income tax on income under \$400,000 a year for couples (\$200,000 for individuals).

Implements regular audits, requires a public vote for any change to the income tax.

#### **Levels the Playing Field**

Washington ranks dead last -- 50th of 50 states -- in tax fairness. Middle class families pay *four times* the tax rate of the rich. 1098 restores fairness.

#### **Funding for Education, Health**

Education and health care have been slashed -- 3,000 teachers were laid off, 40,000 people lost basic health. With the wealthy paying their fair share, 1098 will net \$1 billion annually dedicated to funding K-12, college tuition, the Basic Health Plan and long-term care for seniors.

I-1098 benefits the middle class and small businesses -- vote yes.

#### **Rebuttal of Statement Against**

A small group of very rich people who

### Statement Against

#### **Without your vote against Initiative 1098, Olympia will expand an income tax to everyone.**

Don't trust Olympia with a state income tax. Vote no on 1098 or a simple majority of the legislature will extend this income tax to everyone in just two years. Once in place, income tax rates will go up just like the sales tax.

Passing 1098 will impose new income taxes of almost \$2 billion in the first year alone. Earlier this year, the legislature already increased taxes by \$800 million per year. When our state economy desperately needs new jobs to recover from the recession, we don't need massive new tax increases.

Politicians in Olympia need to prioritize spending, not increase taxes.

#### **Income tax revenues will be spent as the legislature pleases.**

Supporters of 1098 claim the revenue will be used for education and health programs, but the truth is the money can be spent by the legislature on anything it wishes. Olympia raids "trust accounts" in the budget all the time. The modest business and property tax cuts in 1098 can be swept away in just two years, as well.

#### **A new state income tax will result in fewer new jobs.**

In urging voters to defeat 1098, *The Seattle Times* wrote, "I-1098 also takes away the most important tax-based advantage Washington has in attracting business and jobs here: our lack of a state income tax. This state needs that advantage..."

#### **Vote *no* on a state income tax.**

Visit [defeat1098.com](http://defeat1098.com) for the full story.

#### **Rebuttal of Statement For**

1098 opens the door to a state income

benefit from the status quo are using fear tactics to attack 1098. The truth is 1098 slashes the state property tax 20 percent, eliminates the B&O tax for small businesses and boosts the economy. By law, the legislature is prevented from extending the tax on the rich to others or increasing it — any attempt would face a statewide vote. The people will have the final say.

#### **Statement Prepared By**

**Bill Gates, Sr.**, tax reform advocate;  
**Janine Vaughn**, owner, Revival Lighting (Spokane), board, Main Street Alliance;  
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tax on everyone. Our state constitution allows a simple majority in Olympia to amend any initiative after two years. Every initiative passed in the last 20 years providing dedicated fund programs has been changed in Olympia.

The legislature has raided billions of dollars out of 74 dedicated budget accounts in recent years, including those for education and health programs.

Stop the largest tax increase in state history.

#### **Statement Prepared By**

**Steve Appel**, President of the Washington Farm Bureau; **Don Brunell**, President of the Association of Washington Business; **John Drescher**, Executive Director of TechNet Northwest; **Steve Mullin**, President of the Washington Roundtable; **Mike Sotelo**, President, King County Hispanic Chamber of Commerce; **Joseph Zarelli**, State Senator.

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