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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: I-2619.1/13

ATTY/TYPIST: JA:eab

BRIEF DESCRIPTION:

1 AN ACT Relating to state tax increases; amending RCW 29A.72.283,  
2 29A.32.070, 66.24.290, 43.135.031, and 43.135.041; adding new sections  
3 to chapter 43.135 RCW; adding a new section to chapter 66.24 RCW;  
4 creating new sections; repealing RCW 66.24.290; providing an effective  
5 date; and providing contingent effective dates.

6 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

7 **TAXPAYER PROTECTION ACT OF 2013**

8 **INTENT**

9 NEW SECTION. **Sec. 1.** This initiative should deter the governor  
10 and the legislature from sidestepping, suspending, or repealing any of  
11 Initiative 1185's policies which voters approved by a huge margin in  
12 2012. This act provides short-term and long-term protection from state  
13 taxes and fees, giving our state's economy a chance to recover.

14 This measure requires that tax increases imposed by the legislature  
15 be limited to one year.

16 The people want the legislature to approve, and refer to voters for  
17 ratification, a constitutional amendment requiring either two-thirds

1 legislative approval or majority voter approval for raising taxes as  
2 defined by and as required by Initiative Measure No. 960, approved by  
3 voters in 2007, Initiative Measure No. 1053, approved by voters in  
4 2010, and Initiative Measure No. 1185, approved by voters in 2012.  
5 This measure requires people's advisory votes on whether to amend the  
6 constitution to require two-thirds legislative approval or voter  
7 approval to raise taxes.

8 This measure repeals certain temporary taxes that were promised to  
9 expire in 2013; temporary taxes should be temporary.

10 These important policies ensure that taxpayers will be protected  
11 and that taking more of the people's money will always be an absolute  
12 last resort.

13 **PROTECTING TAXPAYERS BY REQUIRING THAT TAX INCREASES**  
14 **IMPOSED BY THE LEGISLATURE BE LIMITED TO ONE YEAR**

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.135 RCW  
16 to read as follows:

17 After the effective date of this section, any tax increase imposed  
18 by the legislature is limited to one year. Pursuant to Article II,  
19 section 41 of the state Constitution, the legislature may amend this  
20 act with a two-thirds legislative vote to impose a tax increase of any  
21 duration. Pursuant to the referendum power set forth in Article II,  
22 section 1(b) of the state Constitution, the legislature may, with a  
23 simple majority vote, refer a tax increase of any duration to the  
24 ballot and be approved by a majority vote of the people.

25 (1) For the purposes of this chapter, "tax increase" means any  
26 action or combination of actions by the state legislature that  
27 increases state tax revenue deposited in any fund, budget, or account,  
28 regardless of whether the revenues are deposited into the general fund.

29 (2) For the purposes of this section, "one year" means the tax  
30 increase goes into effect as the legislature requires and the increase  
31 expires one year after the date the tax increase took effect.

32 **LET THE VOTERS DECIDE ON A CONSTITUTIONAL AMENDMENT**  
33 **REQUIRING EITHER A TWO-THIRDS VOTE OF THE LEGISLATURE**  
34 **OR MAJORITY VOTE OF THE PEOPLE TO RAISE TAXES**

1        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 43.135 RCW  
2 to read as follows:

3        (1)    A measure for an advisory vote of the people for a  
4 constitutional amendment requiring two-thirds legislative approval or  
5 majority voter approval for raising taxes is required and must be  
6 placed on each general election ballot under this chapter.

7        (2)    No later than the first of August, the attorney general will  
8 send written notice to the secretary of state of the legislature's  
9 failure to let the people vote on a constitutional amendment requiring  
10 two-thirds legislative approval or majority voter approval for raising  
11 taxes.    Within five days of receiving such written notice from the  
12 attorney general, the secretary of state will assign a serial number  
13 for a measure for an advisory vote of the people and transmit one copy  
14 of the measure bearing its serial number to the attorney general as  
15 required by RCW 29A.72.040.    Saturdays, Sundays, and legal holidays are  
16 not counted in calculating the time limits in this subsection.

17        (3)    The requirements in this section only take effect if the  
18 legislature blocks the people from voting on a constitutional amendment  
19 requiring two-thirds legislative approval or majority voter approval  
20 for raising taxes.    If the legislature lets the people vote on a  
21 constitutional amendment requiring two-thirds legislative approval or  
22 majority voter approval for raising taxes, then the requirements of  
23 this section do not take effect; an advisory vote is not necessary if  
24 the legislature stops blocking a binding vote.

25        **Sec. 4.**    RCW 29A.72.283 and 2008 c 1 s 8 are each amended to read  
26 as follows:

27        (1)    Within five days of receipt of a measure for an advisory vote  
28 of the people from the secretary of state under RCW 29A.72.040 the  
29 attorney general shall formulate a short description (~~(not exceeding~~  
30 ~~thirty three words and)~~), not subject to appeal, of each tax increase  
31 and of each failure of the legislature to let the people vote on a  
32 constitutional amendment under section 3 of this act and shall transmit  
33 a certified copy of such short description meeting the requirements of  
34 this section to the secretary of state.

35        (a)    The description for each tax increase must be formulated and  
36 displayed on the ballot substantially as follows:



- 1 (2) The official ballot title of the measure;
- 2 (3) A statement prepared by the attorney general explaining the law  
3 as it presently exists;
- 4 (4) A statement prepared by the attorney general explaining the  
5 effect of the proposed measure if it becomes law;
- 6 (5) The fiscal impact statement prepared under RCW 29A.72.025;
- 7 (6) The total number of votes cast for and against the measure in  
8 the senate and house of representatives, if the measure has been passed  
9 by the legislature;
- 10 (7) An argument advocating the voters' approval of the measure  
11 together with any statement in rebuttal of the opposing argument;
- 12 (8) An argument advocating the voters' rejection of the measure  
13 together with any statement in rebuttal of the opposing argument;
- 14 (9) Each argument or rebuttal statement must be followed by the  
15 names of the committee members who submitted them, and may be followed  
16 by a telephone number that citizens may call to obtain information on  
17 the ballot measure;
- 18 (10) The full text of (~~the~~) each measure;
- 19 (11) Two pages (front and back of one page and front and back of a  
20 second page) shall be provided in the general election voters' pamphlet  
21 for each measure for an advisory vote of the people under RCW  
22 43.135.041 and shall consist of the serial number assigned by the  
23 secretary of state under RCW 29A.72.040, the short description  
24 formulated by the attorney general under RCW 29A.72.283, the tax  
25 increase's most up-to-date ten-year cost projection, including a  
26 year-by-year breakdown, by the office of financial management under RCW  
27 43.135.031, and the names of the legislators, and their contact  
28 information, and how they voted on the increase upon final passage so  
29 they can provide information to, and answer questions from, the public.  
30 For the purposes of this subsection, "names of legislators, and their  
31 contact information" includes each legislator's position (senator or  
32 representative), first name, last name, party affiliation (for example,  
33 Democrat or Republican), city or town they live in, office phone  
34 number, and office e-mail address(~~(-)~~);
- 35 (12) The front of one page must be provided in the general election  
36 voters' pamphlet for each measure for an advisory vote of the people  
37 under section 3 of this act and must consist of the serial number

1 assigned by the secretary of state under RCW 29A.72.040, the short  
2 description formulated by the attorney general under RCW 29A.72.283,  
3 and the following:

4 "Over the past twenty years, the voters of Washington have, five  
5 times, overwhelmingly passed initiatives requiring either a two-thirds  
6 vote of the legislature or majority vote of the people to raise taxes.  
7 Despite this clear message from the people, not once has the  
8 legislature given the voters the opportunity to vote on a two-thirds  
9 for taxes constitutional amendment. Then, in 2013, the voters approved  
10 Initiative Measure No.... (initiative number assigned to this act)  
11 that specifically told the legislature that the people want the  
12 opportunity to vote on a two-thirds for taxes constitutional amendment  
13 mirroring voter-approved Initiative Measure No. 960, Initiative Measure  
14 No. 1053, and Initiative Measure No. 1185. Even so, the legislature  
15 again blocked the people from voting on it this year.

16 It is long overdue for the legislature to give the voters the  
17 chance to decide, once and for all, on a two-thirds for taxes  
18 constitutional amendment mirroring voter-approved Initiative Measure  
19 No. 960, Initiative Measure No. 1053, and Initiative Measure No. 1185."

20 **PROTECTING TAXPAYERS BY KEEPING TEMPORARY TAXES TEMPORARY**

21 **Sec. 6.** RCW 66.24.290 and 2010 1st sp.s. c 23 s 1301 are each  
22 amended to read as follows:

23 (1) Any microbrewer or domestic brewery or beer distributor  
24 licensed under this title may sell and deliver beer and strong beer to  
25 holders of authorized licenses direct, but to no other person, other  
26 than the board. Any certificate of approval holder authorized to act  
27 as a distributor under RCW 66.24.270 shall pay the taxes imposed by  
28 this section.

29 (a) Every such brewery or beer distributor shall report all sales  
30 to the board monthly, pursuant to the regulations, and shall pay to the  
31 board as an added tax for the privilege of manufacturing and selling  
32 the beer and strong beer within the state a tax of one dollar and  
33 thirty cents per barrel of thirty-one gallons on sales to licensees  
34 within the state and on sales to licensees within the state of bottled  
35 and canned beer, including strong beer, shall pay a tax computed in

1 gallons at the rate of one dollar and thirty cents per barrel of  
2 thirty-one gallons.

3 (b) Any brewery or beer distributor whose applicable tax payment is  
4 not postmarked by the twentieth day following the month of sale will be  
5 assessed a penalty at the rate of two percent per month or fraction  
6 thereof. Beer and strong beer shall be sold by breweries and  
7 distributors in sealed barrels or packages.

8 (c) The moneys collected under this subsection shall be distributed  
9 as follows: (i) Three-tenths of a percent shall be distributed to  
10 border areas under RCW 66.08.195; and (ii) of the remaining moneys:  
11 (A) Twenty percent shall be distributed to counties in the same manner  
12 as under RCW 66.08.200; and (B) eighty percent shall be distributed to  
13 incorporated cities and towns in the same manner as under RCW  
14 66.08.210.

15 (d) Any licensed retailer authorized to purchase beer from a  
16 certificate of approval holder with a direct shipment endorsement or a  
17 brewery or microbrewery shall make monthly reports to the liquor  
18 control board on beer purchased during the preceding calendar month in  
19 the manner and upon such forms as may be prescribed by the board.

20 (2) An additional tax is imposed on all beer and strong beer  
21 subject to tax under subsection (1) of this section. The additional  
22 tax is equal to two dollars per barrel of thirty-one gallons. All  
23 revenues collected during any month from this additional tax shall be  
24 deposited in the state general fund by the twenty-fifth day of the  
25 following month.

26 (3)(a) An additional tax is imposed on all beer and strong beer  
27 subject to tax under subsection (1) of this section. The additional  
28 tax is equal to ninety-six cents per barrel of thirty-one gallons  
29 through June 30, 1995, two dollars and thirty-nine cents per barrel of  
30 thirty-one gallons for the period July 1, 1995, through June 30, 1997,  
31 and four dollars and seventy-eight cents per barrel of thirty-one  
32 gallons thereafter.

33 (b) The additional tax imposed under this subsection does not apply  
34 to the sale of the first sixty thousand barrels of beer each year by  
35 breweries that are entitled to a reduced rate of tax under 26 U.S.C.  
36 Sec. 5051, as existing on July 1, 1993, or such subsequent date as may  
37 be provided by the board by rule consistent with the purposes of this  
38 exemption.

1 (c) All revenues collected from the additional tax imposed under  
2 this subsection (3) shall be deposited in the state general fund.

3 (4) An additional tax is imposed on all beer and strong beer that  
4 is subject to tax under subsection (1) of this section that is in the  
5 first sixty thousand barrels of beer and strong beer by breweries that  
6 are entitled to a reduced rate of tax under 26 U.S.C. Sec. 5051, as  
7 existing on July 1, 1993, or such subsequent date as may be provided by  
8 the board by rule consistent with the purposes of the exemption under  
9 subsection (3)(b) of this section. The additional tax is equal to one  
10 dollar and forty-eight and two-tenths cents per barrel of thirty-one  
11 gallons. By the twenty-fifth day of the following month, three percent  
12 of the revenues collected from this additional tax shall be distributed  
13 to border areas under RCW 66.08.195 and the remaining moneys shall be  
14 transferred to the state general fund.

15 ~~(5)((a) From June 1, 2010, through June 30, 2013, an additional~~  
16 ~~tax is imposed on all beer and strong beer subject to tax under~~  
17 ~~subsection (1) of this section. The additional tax is equal to fifteen~~  
18 ~~dollars and fifty cents per barrel of thirty one gallons.~~

19 ~~(b) The additional tax imposed under this subsection does not apply~~  
20 ~~to the sale of the first sixty thousand barrels of beer each year by~~  
21 ~~breweries that are entitled to a reduced rate of tax under 26 U.S.C.~~  
22 ~~Sec. 5051 of the federal internal revenue code, as existing on July 1,~~  
23 ~~1993, or such subsequent date as may be provided by the board by rule~~  
24 ~~consistent with the purposes of this exemption.~~

25 ~~(c) All revenues collected from the additional tax imposed under~~  
26 ~~this subsection shall be deposited in the state general fund.~~

27 ~~(6))~~ The board may make refunds for all taxes paid on beer and  
28 strong beer exported from the state for use outside the state.

29 ~~((7))~~ (6) The board may require filing with the board of a bond  
30 to be approved by it, in such amount as the board may fix, securing the  
31 payment of the tax. If any licensee fails to pay the tax when due, the  
32 board may forthwith suspend or cancel his or her license until all  
33 taxes are paid.

34 NEW SECTION. **Sec. 7.** A new section is added to chapter 66.24 RCW  
35 to read as follows:

36 (1) Any microbrewer or domestic brewery or beer distributor  
37 licensed under this title may sell and deliver beer and strong beer to

1 holders of authorized licenses direct, but to no other person, other  
2 than the board. Any certificate of approval holder authorized to act  
3 as a distributor under RCW 66.24.270 shall pay the taxes imposed by  
4 this section.

5 (a) Every such brewery or beer distributor shall report all sales  
6 to the board monthly, pursuant to the regulations, and shall pay to the  
7 board as an added tax for the privilege of manufacturing and selling  
8 the beer and strong beer within the state a tax of one dollar and  
9 thirty cents per barrel of thirty-one gallons on sales to licensees  
10 within the state and on sales to licensees within the state of bottled  
11 and canned beer, including strong beer, shall pay a tax computed in  
12 gallons at the rate of one dollar and thirty cents per barrel of  
13 thirty-one gallons.

14 (b) Any brewery or beer distributor whose applicable tax payment is  
15 not postmarked by the twentieth day following the month of sale will be  
16 assessed a penalty at the rate of two percent per month or fraction  
17 thereof. Beer and strong beer shall be sold by breweries and  
18 distributors in sealed barrels or packages.

19 (c) The moneys collected under this subsection shall be distributed  
20 as follows: (i) Three-tenths of a percent shall be distributed to  
21 border areas under RCW 66.08.195; and (ii) of the remaining moneys:  
22 (A) Twenty percent shall be distributed to counties in the same manner  
23 as under RCW 66.08.200; and (B) eighty percent shall be distributed to  
24 incorporated cities and towns in the same manner as under RCW  
25 66.08.210.

26 (d) Any licensed retailer authorized to purchase beer from a  
27 certificate of approval holder with a direct shipment endorsement or a  
28 brewery or microbrewery shall make monthly reports to the liquor  
29 control board on beer purchased during the preceding calendar month in  
30 the manner and upon such forms as may be prescribed by the board.

31 (2) An additional tax is imposed on all beer and strong beer  
32 subject to tax under subsection (1) of this section. The additional  
33 tax is equal to two dollars per barrel of thirty-one gallons. All  
34 revenues collected during any month from this additional tax shall be  
35 deposited in the state general fund by the twenty-fifth day of the  
36 following month.

37 (3)(a) An additional tax is imposed on all beer and strong beer  
38 subject to tax under subsection (1) of this section. The additional

1 tax is equal to ninety-six cents per barrel of thirty-one gallons  
2 through June 30, 1995, two dollars and thirty-nine cents per barrel of  
3 thirty-one gallons for the period July 1, 1995, through June 30, 1997,  
4 and four dollars and seventy-eight cents per barrel of thirty-one  
5 gallons thereafter.

6 (b) The additional tax imposed under this subsection does not apply  
7 to the sale of the first sixty thousand barrels of beer each year by  
8 breweries that are entitled to a reduced rate of tax under 26 U.S.C.  
9 Sec. 5051, as existing on July 1, 1993, or such subsequent date as may  
10 be provided by the board by rule consistent with the purposes of this  
11 exemption.

12 (c) All revenues collected from the additional tax imposed under  
13 this subsection (3) shall be deposited in the state general fund.

14 (4) An additional tax is imposed on all beer and strong beer that  
15 is subject to tax under subsection (1) of this section that is in the  
16 first sixty thousand barrels of beer and strong beer by breweries that  
17 are entitled to a reduced rate of tax under 26 U.S.C. Sec. 5051, as  
18 existing on July 1, 1993, or such subsequent date as may be provided by  
19 the board by rule consistent with the purposes of the exemption under  
20 subsection (3)(b) of this section. The additional tax is equal to one  
21 dollar and forty-eight and two-tenths cents per barrel of thirty-one  
22 gallons. By the twenty-fifth day of the following month, three percent  
23 of the revenues collected from this additional tax shall be distributed  
24 to border areas under RCW 66.08.195 and the remaining moneys shall be  
25 transferred to the state general fund.

26 (5)(a) From June 1, 2010, through June 30, 2013, an additional tax  
27 is imposed on all beer and strong beer subject to tax under subsection  
28 (1) of this section. The additional tax is equal to fifteen dollars  
29 and fifty cents per barrel of thirty-one gallons.

30 (b) The additional tax imposed under this subsection does not apply  
31 to the sale of the first sixty thousand barrels of beer each year by  
32 breweries that are entitled to a reduced rate of tax under 26 U.S.C.  
33 Sec. 5051 of the federal internal revenue code, as existing on July 1,  
34 1993, or such subsequent date as may be provided by the board by rule  
35 consistent with the purposes of this exemption.

36 (c) All revenues collected from the additional tax imposed under  
37 this subsection shall be deposited in the state general fund.

1 (6) The board may make refunds for all taxes paid on beer and  
2 strong beer exported from the state for use outside the state.

3 (7) The board may require filing with the board of a bond to be  
4 approved by it, in such amount as the board may fix, securing the  
5 payment of the tax. If any licensee fails to pay the tax when due, the  
6 board may forthwith suspend or cancel his or her license until all  
7 taxes are paid.

8 NEW SECTION. **Sec. 8.** RCW 66.24.290 (Authorized, prohibited  
9 sales--Monthly reports--Added tax--Distribution--Late payment penalty--  
10 Additional taxes, purposes) and 2013 c . . . s . . . , 2010 1st sp.s. c  
11 23 s 1301, 2009 c 479 s 43, 2006 c 302 s 7, 2003 c 167 s 5, & 1999 c  
12 281 s 14, as now existing or hereafter amended, are each repealed.

13 **Sec. 9.** RCW 43.135.031 and 2013 c 1 s 5 (Initiative Measure No.  
14 1185) are each amended to read as follows:

15 (1) For any bill introduced in either the house of representatives  
16 or the senate that raises taxes as defined by ((RCW 43.135.034))  
17 section 2 of this act or increases fees, the office of financial  
18 management must expeditiously determine its cost to the taxpayers in  
19 its first ten years of imposition, must promptly and without delay  
20 report the results of its analysis by public press release via e-mail  
21 to each member of the house of representatives, each member of the  
22 senate, the news media, and the public, and must post and maintain  
23 these releases on its web site. Any ten-year cost projection must  
24 include a year-by-year breakdown. For any bill containing more than  
25 one revenue source, a ten-year cost projection for each revenue source  
26 will be included along with the bill's total ten-year cost projection.  
27 The press release shall include the names of the legislators, and their  
28 contact information, who are sponsors and cosponsors of the bill so  
29 they can provide information to, and answer questions from, the public.

30 (2) Any time any legislative committee schedules a public hearing  
31 on a bill that raises taxes as defined by ((RCW 43.135.034)) section 2  
32 of this act or increases fees, the office of financial management must  
33 promptly and without delay report the results of its most up-to-date  
34 analysis of the bill required by subsection (1) of this section and the  
35 date, time, and location of the hearing by public press release via  
36 e-mail to each member of the house of representatives, each member of

1 the senate, the news media, and the public, and must post and maintain  
2 these releases on its web site. The press release required by this  
3 subsection must include all the information required by subsection (1)  
4 of this section and the names of the legislators, and their contact  
5 information, who are members of the legislative committee conducting  
6 the hearing so they can provide information to, and answer questions  
7 from, the public.

8 (3) Each time a bill that raises taxes as defined by ((RCW  
9 ~~43.135.034~~)) section 2 of this act or increases fees is approved by any  
10 legislative committee or by at least a simple majority in either the  
11 house of representatives or the senate, the office of financial  
12 management must expeditiously reexamine and redetermine its ten-year  
13 cost projection due to amendment or other changes during the  
14 legislative process, must promptly and without delay report the results  
15 of its most up-to-date analysis by public press release via e-mail to  
16 each member of the house of representatives, each member of the senate,  
17 the news media, and the public, and must post and maintain these  
18 releases on its web site. Any ten-year cost projection must include a  
19 year-by-year breakdown. For any bill containing more than one revenue  
20 source, a ten-year cost projection for each revenue source will be  
21 included along with the bill's total ten-year cost projection. The  
22 press release shall include the names of the legislators, and their  
23 contact information, and how they voted on the bill so they can provide  
24 information to, and answer questions from, the public.

25 (4) For the purposes of this section, "names of legislators, and  
26 their contact information" includes each legislator's position (senator  
27 or representative), first name, last name, party affiliation (for  
28 example, Democrat or Republican), city or town they live in, office  
29 phone number, and office e-mail address.

30 (5) For the purposes of this section, "news media" means any member  
31 of the press or media organization, including newspapers, radio, and  
32 television, that signs up with the office of financial management to  
33 receive the public press releases by e-mail.

34 (6) For the purposes of this section, "the public" means any  
35 person, group, or organization that signs up with the office of  
36 financial management to receive the public press releases by e-mail.



1 **SEVERABILITY CLAUSE**

2 NEW SECTION. **Sec. 12.** If any provision of this act or its  
3 application to any person or circumstance is held invalid, the  
4 remainder of the act or the application of the provision to other  
5 persons or circumstances is not affected.

6 **MISCELLANEOUS**

7 NEW SECTION. **Sec. 13.** This act is known and may be cited as the  
8 "taxpayer protection act of 2013."

9 NEW SECTION. **Sec. 14.** This act, other than sections 6, 7, and 8  
10 of this act, take effect December 5, 2013.

11 NEW SECTION. **Sec. 15.** Section 6 of this act takes effect December  
12 5, 2013, if, during the 2013 legislative session, the legislature does  
13 not amend RCW 66.24.290.

14 NEW SECTION. **Sec. 16.** Sections 7 and 8 of this act take effect  
15 December 5, 2013, if, during the 2013 legislative session, the  
16 legislature amends RCW 66.24.290.

--- END ---