

# Affidavit for Proposed Initiative

FILED  
FEB 01 2010

SECRETARY OF STATE  
STATE OF WASHINGTON

1. JAMES EDWIN VAUGHN, declare as follows  
print name as registered to vote

- 1. I am over 18 years of age and competent to testify.
- 2. I am a registered voter residing at:

14416 168TH STREET ORTING, WA 98360  
street address city zip code

PIERCE  
county (area code) telephone number

- 3. I herewith submit a proposed Initiative to the:

People

Legislature

in the form appended hereto regarding the subject of REPLACING THE SEAL OF THE STATE OF WASHINGTON

4. I request that the Secretary of State transmit a copy of the proposed Initiative to the Office of the Code Reviser. If I submit a final version of the proposed Initiative to the Secretary of State, along with a Certificate of Review issued by the Office of the Code Reviser, I request that the Secretary of State assign the proposed Initiative a number, and transmit a copy to the Attorney General for a ballot title.

5. I declare under penalty of perjury under the laws of the state of Washington that the foregoing is true and correct and of my own knowledge, and that I executed this declaration at

ORTING, Washington, in the County of PIERCE, this

1 day of MARCH, 2010.

  
signature

**Note:** The Office of the Secretary of State posts information regarding proposed Initiatives on the agency's website, including contact information for each sponsor. If you would like alternate contact information to be posted, please provide that information below. Please be aware that all information on this affidavit is public record and is subject to public disclosure.

14416 168TH STREET ORTING WA 98360  
address city state zip code

jvaughn50@comcast.net 253-241-9634 253-444-3820  
email (area code) telephone number (area code) fax number

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SECRETARY OF STATE  
STATE OF WASHINGTON

**Replace the Seal of the State of Washington**

An act relating to changing the seal of the state of Washington from a seal encircled with the words: "The Seal of the State of Washington," with the vignette of General George Washington as the central figure, and beneath the vignette the figures "1889" as referred to in a RCW 1.20.080 to a tapeworm dressed in a three piece suit attached to the taxpayer's rectum as the central figure and encircling the vignette the words "Committed to sucking the life blood out of each and every tax payer."

**BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON**

**Policies and Purpose**

**Sec. 1.** Whereas Washington State has lost a significant portion of our industrial base resulting in a high unemployment rate, our state government continues to grow and spend at unsupportable rates by increasing taxes at a time when our citizens can least afford it.

**Sec. 2.** Whereas the Tax Justice Digest lists Washington State as the leader of the "Terrible Ten" states for tax. These "Terrible Ten" states ask poor families—those in the bottom 20% of the income scale—to pay almost six times as much of their earnings in taxes as do the wealthy. Middle income families in these states pay up to three-and-a-half times as high a share of their income as the wealthiest families. These ten states stand out for the extraordinary degree to which they have shifted the cost of funding public investments to their very poorest residents.

**Sec. 3.** Whereas the U.S. is among eight countries with extra corporate tax rates imposed by state or local levels of government. The burden of these state-level taxes is somewhat lessened in all but four states because they can be deducted from federal taxes. Unfortunately, in the State of Washington the Business and Occupation Tax on gross receipts does not allow for a deduction for monies paid for federal taxes. As a result, our business experience double and triple taxation, in cities that also charge businesses a B&O Tax.

**Sec. 4.** Whereas Washington State does not cut its business taxes in the next year, the U.S. federal rate would have to be cut to 20 percent in order to bring the combined federal-state rate down to compete with the European Economic Community. Our state officials fail to be cognizant of the fact that we are not only competing against other states for investment and jobs, but against the rest of the world. The emerging low-tax countries in Europe and Asia benefit from our high tax rates. In just the past year, at least six countries have announced plans to cut their corporate tax rates: Canada, Hong Kong, Korea, South Africa, Spain and Taiwan. In an interview in the *Korea Times*, Choi Kyung-hwan, a member of the new Administration's Presidential Transition Committee, said, "The corporate income tax reduction is not a matter of choice, but a matter of life and death for Korea in an increasingly globalized business environment." In the end, the

key to improving America's business tax competitiveness is to work toward the common goal of lowering the overall business tax burden. Otherwise, the businesses in our state will continue to fall behind in the global tax race simply by standing still. "

**Sec. 5.** Whereas there are only four states that have a Gross tax receipt, know in Washington as the Business and Occupation Tax, we have the worst corporate tax rate in the country. A comparison of the states that have GRT:

- 1) Delaware: Retail can deduct \$80,000 per month. Manufactures can deduct \$1,000,000 per month.
- 2) Kentucky: Business can choose between Gross Receipts and Gross Profits. Under \$3M are exempt.
- 3) Ohio: Business under \$150,000 is exempt; those with receipts between \$150,000 and \$1M pay \$150.
- 4) Washington: The worst tax of all 4 GRT states. Business under \$28,000 exempt.
- 5) As a result, the government of The State of Washington fails to provide an environment that allows our citizens to economically compete in the global market by eliminating the B&O tax which discourages capital investment by our businesses and discourages purchases of capital equipment which are directly related to growth and employment.

**Sec. 6.** Whereas the citizens of our state are currently paying in excess of forty taxes, some of which are:

- 1) Accounts Receivable Tax
- 2) Building Permit Tax
- 3) Business and Occupation Tax
- 4) CDL License Tax
- 5) Cigarette Tax
- 6) Dog License Tax
- 7) Federal Income Tax
- 8) Federal Unemployment Tax
- 9) Fishing License Tax
- 10) Food License Tax
- 11) Fuel Perm it Tax
- 12) Gasoline Tax
- 13) Hunting License Tax
- 14) Inheritance Tax
- 15) Inventory Tax
- 16) IRS Interest Charges (tax on top of tax)
- 17) IRS Penalties (tax on top of tax)
- 18) Liquor Tax
- 19) Luxury Tax
- 20) Marriage License Tax

- 21) Medicare Tax
- 22) Property Tax
- 23) Real Estate Tax
- 24) Service charge taxes
- 25) Social Security Tax
- 26) Road Usage Tax (Truckers)
- 27) Sales Taxes
- 28) Recreational Vehicle Tax
- 29) School Tax, State Income Tax
- 30) State Unemployment Tax (SUTA)
- 31) Telephone Federal Excise Tax
- 32) Telephone Federal Universal Service Fee Tax
- 33) Telephone Federal, State and Local Surcharge Tax
- 34) Telephone Minimum Usage Surcharge Tax
- 35) Telephone Recurring and Non-recurring Charges Tax
- 36) Telephone State and Local Tax
- 37) Telephone Usage Charge Tax
- 38) Utility Tax
- 39) Vehicle License Registration Tax
- 40) Vehicle Sales Tax
- 41) Watercraft Registration Tax
- 42) Well Permit Tax
- 43) Workers Compensation Tax

**SEC. 5.** Whereas our state is continuing to invent new ways to tax the citizens with under the term revenue alternatives by proposing the following:

- 1) RETAIL SALES/USE TAX – Rate Increase
- 2) RETAIL SALES/USE TAX – Tax Base Expansion
- 3) Repeal Exemption for Motor Vehicle Fuel
- 4) Total Repeal of Exemption for Manufacturing Machinery and Equipment (M&E)
- 5) Repeal Exemption for Trade-In Property
- 6) Repeal Exemption for Customized Software
- 7) Remove Exemption for Candy and Gum
- 8) RETAIL SALES/USE TAX – Expand Tax Base to Services
- 9) Consumer Services Sales Tax
- 10) Business Services Sales Tax
- 11) Financial Services Sales Tax
- 12) BUSINESS & OCCUPATION TAX – Rate Increases
- 13) Add a 10 percent Surcharge to All B&O Tax Rates
- 14) Add a 25 percent Surcharge to all B&O Tax Rates
- 15) Increase B&O Tax Service Rate from 1.5 percent to 1.75 percent
- 16) Repeal First Mortgage B&O Tax Deduction
- 17) Add a 25 Percent Surtax to All Public Utility Tax (PUT) rates
- 18) Increase State Property Tax Levy to \$3.60
- 19) Increase Real Estate Excise Tax (REET) from 1.28 percent to 1.6 percent
- 20) Increase Oil Spill Tax from 5 Cents per Barrel to 5 percent of Value

- 21) Double all Rates for Estate Tax
- 22) Impose Tax on Carbonated Beverages Equivalent to 5 Cents per 12 oz.
- 23) Impose Tax on Bottled Water Equivalent to 1 Cent per Ounce.

### **Conclusion**

Whereas, no sensible case can be made for increasing taxes and failing to stream line our state government. We do not think that changing our state seal to reflect our government is FUNNY. Not one of these taxes existed 100 years ago, and our state and our nation was the most prosperous in the world. We had absolutely no national debt, had the largest middle class in the world, and mothers could stay at home to raise the kids. We asked ourselves what happened and we spelled liberal, progressive tax happy democratic politicians. As a result, the legislature is directed to legislate and enact a change to the Seal of the State of Washington to a tapeworm dressed in a three piece suit attached to the taxpayer's rectum as the central figure and encircling the vignette the words "Committee to sucking the life blood out of each and every tax payer."