

2010 Initiatives Could Impact Public Services

By Andy Nicholas

Introduction

In November, voters in Washington State will make decisions on a range of ballot initiatives. Five of these measures could significantly impact our state's ability to meet fundamental public needs. These measures include:

- *Initiative 1053*, a measure that would diminish legislators' ability to make balanced, rational decisions as the state recovers from the worst recession since World War II. The initiative would subject all future tax increases, no matter how small, to a public referendum vote, or a supermajority (two-thirds) vote in the legislature coupled with a nonbinding public advisory vote.
- *Initiative 1098* offers Washingtonians an opportunity to enact important long-term reforms to our state's inadequate revenue structure. The measure would reduce taxes for homeowners and small businesses while providing additional resources for education and health care through a new tax on high incomes.
- Two initiatives (*I-1100 and I-1105*) would privatize the sale of hard liquor in Washington. The net impact of these

measures on the state general fund is yet unclear. It is possible that these measures could significantly reduce state resources in the coming years, however. In the long-run, Washington could face higher costs associated with increased consumption of hard liquor.

- *Initiative 1107* would significantly reduce state resources in the current fiscal year and in coming years. It would repeal a portion of the revenue increases enacted earlier this year (along with one tax cut) — increases that played a pivotal role in preventing painful and economically damaging cuts to essential public services. Eliminating these revenue instruments would add \$250-300 million to the fiscal gap faced by the state over the next three years.

Voters will be considering these measures in a context where current revenue expectations will be \$3 billion short of the amount needed to continue our current commitments to education, communities, health, and economic security. Their decisions will help determine our state's ability to recover from the recession while maintaining key public priorities.

Initiative 1053

If approved by voters in November, I-1053 would greatly hamper lawmakers' ability to take a responsible, balanced approach to Washington's ongoing economic problems. Sponsored by Tim Eyman, I-1053 would subject all future tax increases — no matter how small — to either a public referendum vote or a supermajority vote in the legislature coupled with a nonbinding public advisory vote. These restrictions would undermine legislative flexibility and rational decision-making at time when these attributes are most needed.

I-1053 and I-960

To help maintain services while the economy recovers, the 2010 legislature temporarily suspended two restrictive elements of I-960 — a citizen initiative enacted in 2007 — until July 1, 2011. The suspended provisions of I-960 include:

- *A supermajority vote for all tax increases:* Initiative 960 expanded a requirement that all tax increases be approved by a supermajority (two-thirds) vote in the state legislature or a public referendum vote. Prior to I-960, the supermajority requirement was limited to general fund tax increases. The initiative expanded the supermajority requirement to include all tax increases, irrespective of their size or purpose.¹ In 2010, the legislature temporarily suspended the supermajority requirement.
- *A requirement for public advisory votes on tax measures:* Initiative 960 mandated a nonbinding public advisory vote for any tax increase enacted without a voter referendum.

Initiative 1053 would restore these requirements just before legislators gather in January to develop the 2011-13 state budget.

I-960 imposed excessive restraints

Suspending the supermajority vote and public advisory vote requirements allowed lawmakers to enact a series of modest revenue enhancements that prevented

imminent cuts in basic public services. (Details of revenue measures enacted during the current biennium can be found in the Budget & Policy Center Analysis, "[Revenue Measures Enacted in Washington State in 2009 and 2010.](#)"²)

During recessions, it is important that state lawmakers work to preserve core public services like health care, education, and public safety. Large cuts in these and other important services can deepen and prolong downturns by removing additional demand from state economies. Yet excessive and impractical restraints on the process undermine legislators' ability to respond effectively during recessions and other emergencies.

The supermajority requirement distorts rational decision-making by elected officials. Even in normal economic times, the requirement gives a small minority of lawmakers the ability to obstruct important legislation. The supermajority mandate is especially problematic during recessions, when a handful of legislators can block measures needed to preserve basic public services and prevent further economic damage. Because of these shortcomings, the legislature has suspended the supermajority requirement several times in order to address economic downturns and other state emergencies. For example, the requirement was suspended in early 2002 following the "dot-com bust" of 2001.

Contrary to claims of the proponents of I-960 and I-1053, the public advisory vote provision does not enhance transparency or voter awareness. Under the initiative, the amount of information included in voter's pamphlets about advisory vote measures is very limited. Unlike other types of ballot measures, advisory votes would not be accompanied by an explanation of the measure, written by the attorney general, detailing how they would affect current law. The initiative does not even allow written pro or con arguments to be included in the voter's pamphlet. In fact, the only descriptive language allowed for advisory votes under I-960 is a 13-word ballot question, along with a list of every leg-

islator’s contact information, their party affiliation, and how they voted on each tax increase measure during the previous legislative session.

I-1053 would hamper recovery efforts

Under I-1053, it would be virtually impossible for legislators to adopt a rational and balanced approach to the state’s economic problems in the coming year. Instead, Initiative 1053 could result in yet another round of deep and damaging cuts in services. (Public services have already weathered cuts totaling more than \$4 billion in the current biennium.) Such an approach could prolong Washington’s recovery, dampening economic growth while weakening crucial supports for working families.

Initiative 1098

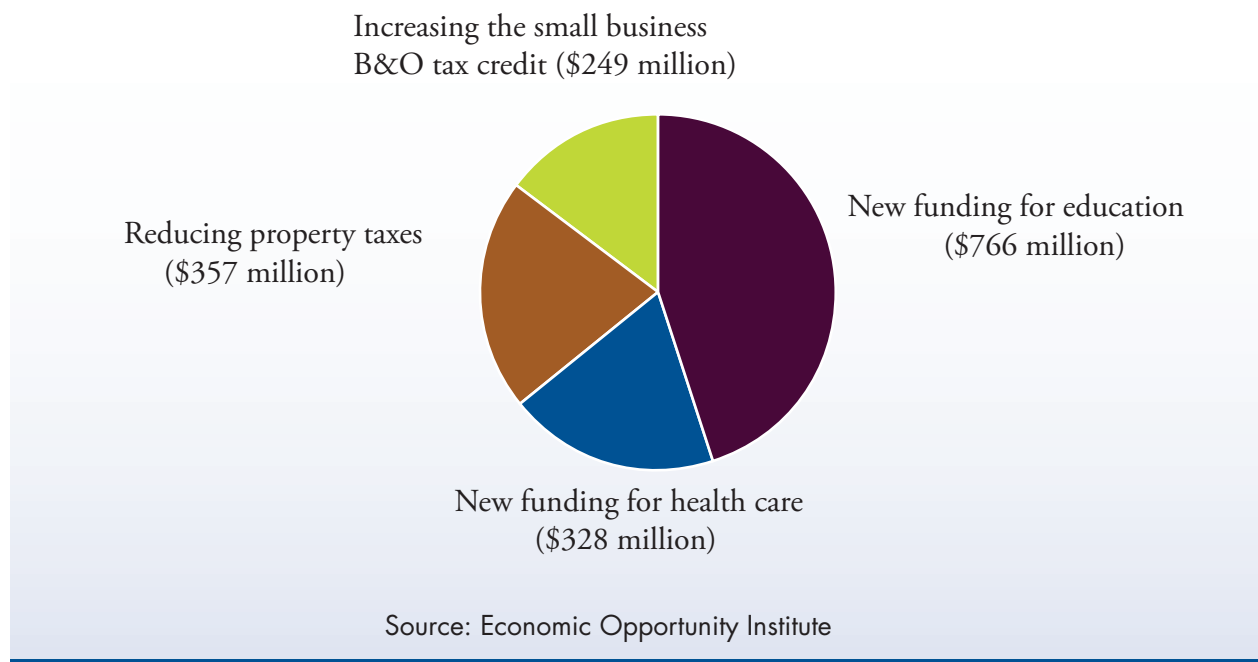
I-1098 would provide long-term reform to Washington State’s tax system while supplying badly

needed revenue for education and health care. It would also provide across-the-board property tax cuts and reduce B&O taxes for many smaller businesses.

If passed by voters in November, I-1098 would establish an income tax on high incomes that would raise about \$1.7 billion annually. The money would be distributed as follows (Figure 1):³

- Across-the-board property tax cut: \$357 million
- Increase in B&O small business credit: \$249 million
- Investments in education from early learning to universities: \$766 million
- Investments in health care access and quality and public health: \$328 million

Figure 1: Distribution of I-1098 revenues



Income tax

Currently, Washington State is one of only seven states without an income tax. Adding an income tax has long been recognized as a solution to a number of long-term problems that plague Washington State's tax structure, including:⁴

- Revenues are inadequate to fund high-quality education and health care systems.
- Revenues do not keep pace with economic growth or the costs of maintaining essential public services at existing levels.
- The state has the most regressive tax system in the country — that is, the richest households in Washington pay a much lower share of their incomes in state taxes than to do lower- and moderate-income families.⁵

The income tax proposed under I-1098 would only apply to taxpayers with high incomes. The first \$400,000 in income for married couples or registered domestic partnerships or \$200,000 for single individuals would be exempt from the tax. Income over \$400,000 for couples (\$200,000 for individuals) but less than \$1,000,000 for couples (\$500,000 for individuals) would be taxed at five percent. Income above that level would be taxed at nine percent. In total, the effective tax rate for a couple with one million dollars in adjusted gross income would be three percent.

Tax cuts

In addition to creating a new tax on high incomes, I-1098 would also cut taxes for homeowners and businesses. The following two tax cuts are included in the measure:

- A 20 percent reduction in the state property tax for both businesses and households.
- Raising the small business B&O tax credit more than tenfold, from \$420 to \$4,800 per year.

The dramatic increase in the small business B&O tax credit could provide a boost to new and small businesses struggling in the current economic climate. Small retailers with gross receipts up to just over one million dollars would be totally exempt from the B&O. Retailers with gross receipts up to just over two million dollars would see their taxes reduced.⁶

Health care and education

After funding the tax cuts described above, the remaining proceeds from the income tax would be placed into a new state trust fund. The initiative outlines that the money must be spent as follows:

- Seventy percent would be dedicated to the Education Legacy Trust Fund, which can be used for the student achievement program, expanding access to higher education, and other efforts to improve education.
- Thirty percent would be dedicated to health services including the Basic Health plan, state and local public health, and long-term care services for seniors and people with disabilities.

Long-term solution

If approved, I-1098 would make significant and badly needed reforms to Washington's revenue system — reforms that would make our overall tax system more adequate and equitable in the years ahead. It is unlikely that the measure could be implemented quickly enough to help address our state's immediate economic problems, however. For the coming 2011-13 biennium, lawmakers must find ways to improve and build upon Washington's existing revenue structure in order to preserve essential services while the economy recovers.

Initiatives 1100 and 1105

Two initiatives to appear on the ballot this November would dramatically change the manner in which hard liquor, beer, and wine are distributed and sold

in Washington State. Though different in many respects, both I-1100 and I-1105 would eliminate all state-owned liquor stores and the state's centralized distribution center. These measures would instead allow liquor to be distributed through private wholesalers and sold to consumers at numerous retail establishments such as grocery stores and convenience stores. It is not yet known how either initiative would impact the state budget. It is possible that both I-1100 and I-1105 would significantly reduce state resources in the coming years, however.

The current liquor control system

In Washington, the state Liquor Control Board (LCB) acts as the sole distributor and retailer of hard liquor. This means that the LCB purchases liquor directly from manufacturers or importers and distributes it to the 161 state-owned liquor stores and the 155 contract liquor stores via the state's centralized distribution center.⁷ Though all states regulate liquor sales to some degree, Washington is one of 18 states that directly control hard liquor at the wholesale level, and one of 13 states that directly control it at the retail level as well.⁸

Beer and wine are primarily sold via private wholesalers and retailers under the current system. For regulatory purposes, the LCB divides the beer and wine industry into three activities, or "tiers" – manufacturing, wholesaling, and retailing. Under this three-tier system, connections and financial relationships among the tiers are regulated in order to prevent retailers from exerting undue influence over manufacturers (or distributors) and vice versa.⁹ For example, current law mandates that manufacturers and distributors make each of their products available to all retailers at uniform price. In addition, manufacturers are not allowed to offer bulk discounts to distributors or retailers that purchase large quantities of a particular beer or wine product.

Alcohol-related revenues

In fiscal year 2009, sales of alcoholic beverages generated about \$333 million in revenue for Washington's state and local governments. About 60 percent (\$199 million) of these revenues were devoted to the state's general fund, where they helped to fund education, health care, and other important services. Another 19 percent (\$63 million) were used to fund services provided by cities and counties. The remaining \$71 million in alcohol revenues supported a variety drug and alcohol abuse prevention programs, the state's basic health program, research on alcohol abuse prevention conducted at the University of Washington, and other important programs.¹⁰

The \$333 million in alcohol-related revenues were derived from the following sources in fiscal year 2009:

- More than two-thirds (\$222 million) came from taxes applied to hard liquor. Of this amount, about half (\$117 million) came from taxes levied on a per-liter basis while taxes levied as a percentage of the sales price comprised the remaining half (\$106 million).¹¹
- The 39.2 percent markup rate applied to liquor sold in Washington — which was temporarily increased to 51.9 percent for fiscal years 2010-11 — generated about \$69 million (21 percent).¹²
- Taxes applied to beer and wine provided \$31 million.
- \$11.3 million came from retail sales taxes (collected by state liquor stores), licensing fees, and other sources.

I-1100 vs. I-1105

Table 1 highlights the different ways in which I-1100 and I-1105 would alter the current liquor control system in Washington State. As the table shows, both measures would privatize the wholesale and retail sale of hard liquor in Washington. This means that the LCB would be required to shut down all state liquor

stores and the distribution center. Instead, private wholesalers and retailers — which could include grocery stores, convenience stores, and other types of retail establishments — would be allowed to distribute and sell hard liquor to consumers, as they are currently allowed to do with beer and wine.

A prime beneficiary of I-1100 would be large or “big box” retailers that are able to buy and sell large quantities of retail goods at heavily discounted rates. The measure would effectively eliminate the three-tier system by repealing the uniform price requirement, the prohibition against bulk discounts, and other provisions of state law governing the sales of alcoholic beverages. As a result, big box retailers would be able to sell hard liquor, beer, and wine to consumers at lower prices compared to their smaller competitors.

Initiative 1105, on the other hand, would advantage beverage distribution companies. Rather than dismantling the three-tier system, the measure would expand it to include sales of hard liquor. The measure would retain the uniform price requirement and the prohibition against bulk discounts for purchases of beer and wine (bulk discounts on hard liquor would be allowed). As result, retail prices of alcoholic beverages would likely be higher and more uniform under I-1105 relative to what they would be under I-1100.

Uncertain impact on the state budget

The extent to which I-1100 and I-1105 would impact the state budget is yet unclear.¹³ A number of factors suggest that both initiatives could significantly reduce state resources in the coming years, however.

By privatizing retail and wholesale liquor sales in Washington, more than \$70 million per year in state markup revenues would be lost under both I-1100 and I-1105. Initiative 1105 would also repeal all existing state taxes applied to liquor, which generated some \$222 million in fiscal year 2009. A portion of these revenues would be replaced by a new six percent tax on gross liquor sales at the retail level and a one

percent tax applied to distributors. At current liquor prices and sales volumes, these taxes would generate only about \$44 million per year, however.¹⁴

To make up the difference (plus an additional \$20 million per year over the next five years), I-1105 would require the Liquor Control Board to develop and propose to the legislature a new per-liter liquor tax. It is important to note that nothing in the language of I-1105 requires the legislature to act on the LCB’s recommendation. Furthermore, should Initiative 1053 be approved by voters in November, the Board’s proposed tax would have to be approved by a supermajority (two-thirds) vote in the state legislature or a vote of the people. Under I-1053, the proposed per-liter liquor tax could be blocked by a small minority of lawmakers.

On the other hand, under both I-1100 and I-1105 the state would incur significant savings from shutting down the state liquor stores and the distribution center. The bulk of these savings would be realized as a result of laying off about 932 state liquor store and distribution center employees.¹⁵ In addition, the LCB would generate new revenues from the proposed liquor retailer and distributor licensing fees and from additional B&O tax receipts.¹⁶ But it is not clear at this time whether total state savings would be large enough to offset the forgone markup and liquor tax revenues.

Long-term costs

It is possible that the consumption of hard liquor would increase significantly under both I-1100 and I-1105. There are currently 316 state liquor stores and contract liquor stores in Washington. An analysis conducted by the Washington State Auditor’s Office found that the number of retail stores selling hard liquor could grow to as high as 3,357 under a privatization scheme similar to the ones proposed in I-1100 and I-1105.¹⁷ The Auditor’s office also found, based on comparisons with states with privatized systems, that the consumption of hard alcohol in Washington

Proposed change	I-1100	I-1105
Shut down all state liquor stores & the distribution center	<i>Yes:</i> All state liquor stores and the distribution center would be required to stop selling liquor by December 31, 2011.	<i>Yes:</i> All state liquor stores and the distribution center would be required to stop selling liquor by April 12, 2012.
Privatize retail and wholesale sale of liquor in Washington	<i>Yes:</i> The LCB would be required to issue permits to private liquor retailers and private distributors. Private distributors could begin selling on January 1, 2011; retailers could begin on June 1, 2011.	<i>Yes:</i> The LCB would be required to issue permits to private liquor retailers and distributors. Private distributors could begin selling on October 1, 2011; retailers could begin on November 1, 2011.
Eliminate the three-tier system	<i>Yes:</i> The uniform price requirement and other regulations designed to separate the activities of manufacturers, distributors, and retailers would be repealed. Retailers of beer, wine, and hard liquor would have greater freedom to purchase these products directly from manufacturers at a reduced price.	<i>No:</i> The uniform price requirement and other regulations designed to separate manufacturers, distributors, and retailers would be retained. The three-tier system would be expanded to include sales of hard liquor in addition to beer and wine.
Eliminate the laws against bulk discounts on beer, wine, and hard liquor	<i>Yes:</i> Manufacturers and distributors would be able to offer bulk discounts to retailers that buy liquor and other alcoholic beverages in large quantities.	<i>No:</i> Prohibitions against bulk discounts for purchases of beer and wine would be retained. Bulk discounts would be allowed for sales of hard liquor, however.
Repeal taxes applied to liquor	<i>No:</i> Current per liter and sales taxes on liquor would be maintained.	<i>Yes:</i> All state taxes applied to liquor would be repealed. The LCB would be required to develop and recommend to the legislature a per liter tax that would replace the forgone revenue plus \$20 million per year for the next five years. The legislature would not be required to act on this recommendation.
Eliminate markup revenues	<i>Yes:</i> The state would lose all revenues from the 51.9 percent markup on the price of hard liquor.	<i>Yes:</i> The state would lose all revenues from the 51.9 percent markup on the price of hard liquor.
Create new gross sales taxes on distributors and retailers	<i>No.</i>	<i>Yes:</i> New taxes of 1% and 6% of gross liquor sales would be applied to distributors and retailers, respectively.
Establish a new tax on sales of hard liquor to restaurants	<i>Yes:</i> A new tax levied at 10 percent of the sales price on all liquor sold to restaurants licensed to serve alcoholic beverages would be imposed.	<i>No.</i>

State could increase by nearly 15 percent in the coming years.

A sharp increase in the consumption of hard liquor in Washington could entail significant long-term social costs. Under I-1100 or I-1105, the state could face increased costs associated with diminished public health and law enforcement — due to higher rates of drunk driving, illegal liquor sales to minors, and other alcohol-related crimes. These costs would begin building at time when Washington continues to struggle to meet basic public needs while recovering from the Great Recession.

Initiative 1107

Initiative 1107 would significantly reduce state resources in the current fiscal year and in coming years. It would repeal a portion of the revenue increases enacted earlier this year (along with one tax cut) — increases that played a pivotal role in preventing painful and economically damaging cuts to essential public services.

Specifically, I-1107 would:

- Repeal a temporary extension of the state sales tax to bottled water.
- Repeal a permanent extension of the sales tax to purchases of candy and gum.
- Repeal a permanent, \$1,000 per employee B&O tax credit for local candy manufacturers.
- End a temporary, \$0.02 per 12 ounces excise tax on carbonated beverages.
- Reinstate business tax preferences claimed by manufacturers of certain processed foods.

Impact on the state budget

The taxes that would be repealed under I-1107 are projected to generate over \$100 million per year over the next three years. Without these additional

resources, the fiscal gap faced by the state in the next three years would grow by some \$250-300 million.¹⁸ The revenues from these taxes played a pivotal role in preventing painful cuts in basic public services. As a matter of perspective, among the proposed cuts that were averted this year, \$100 million was equivalent to:

- *In health care:* All funding needed to maintain maternity support services for women with at-risk pregnancies plus all of the following services for lower-income adults: non-emergent dental, hospice, physical, occupational, and speech therapy, interpreters, vision, hearing, podiatry, and Medicare Part D copays, or;
- *In education:* All funding needed to protect early learning opportunities for 1,500 three year-olds from lower income families, provide full-day kindergarten in schools with high poverty rates, and continue financial aid for thousands of lower income college students.

The national recession's ongoing impact on the state budget has already put these services and many others in jeopardy in the coming biennium. Initiative 1107 would make matters far worse, forcing reductions to public investments in communities, education, health care, and more.

I-1107 would repeal reasonable and common taxes

Initiative 1107 would repeal recent extensions of the sales tax to candy, gum, and bottled water, along with a selective excise tax on carbonated beverages. It is important to note that these taxes are quite common throughout the United States.

Washington is one of 31 states that apply the general sales tax to candy (Map 1). Among these states, at least 14 also apply the sales tax to purchases of bottled water. (Five states do not levy a general sales tax.)

In addition to Washington, six other states — Arkansas, Illinois, Rhode Island, Tennessee, Virginia,

- The Department of Ecology's (DOE) Air Quality Program protects public and environmental health by monitoring air quality and regulating pollutants from motor vehicles, manufacturers, agriculture, and other sectors of the economy. Fifty-nine percent (about \$19 million this biennium) of the funding for this program comes from the general fund.²⁴
- Fully 83 percent (\$32 million this biennium) of the funding for DOE's Water Quality Program — which is responsible for preventing and cleaning up water pollution — is provided through state general fund. This program also ensures that the public has access to accurate information about water quality in Washington State.²⁵

All of these programs are vulnerable to being severely cut or eliminated in the coming biennium. Initiative 1107 would further impede the state's ability to address public and environmental health problems.

I-1107 would restore wasteful tax preferences

To help generate additional resources, this year lawmakers narrowed two wasteful tax preferences that were expanded by a recent State Supreme Court ruling. In 2005, the Court expanded a preferential B&O tax rate of 0.138 percent that was originally intended only for processors and wholesalers of perishable meat products (meatpackers). The Court's decision allowed companies whose products contain only minimal amounts of meat — i.e. canned chili — to claim this preference. The ruling also expanded a B&O exemption, which originally was intended only for companies that preserve fresh fruits and vegetables, to encompass products with similarly small amounts of these ingredients.²⁶

This year, policymakers clarified and narrowed these preferences to conform to their original intent. Initiative 1107 would re-expand these preferences at

a cost to the state of nearly \$9 million in the coming biennium.

Conclusion

Four of the ballot initiatives examined above could cause great harm to essential public structures in Washington, such as health care and education. Initiative 1053 would make it virtually impossible for policymakers to adopt a responsible and rational approach to our ongoing economic problems. While their net impacts on the state budget are yet unknown, both I-1100 and I-1105 could significantly reduce state resources in the short-term while imposing greater long-term costs associated with increased consumption of hard liquor and other alcoholic beverages. Initiative 1107 would repeal taxes on candy, soda, and bottled water — all of which are common and reasonable instruments for financing public services. Even while the state faces a new \$3 billion imbalance between resources and public needs, this measure would cost the state some \$250-300 million over the next three years.

Initiative 1098, on the other hand, offers Washingtonians a unique opportunity to make significant long-term reforms to our state's inadequate revenue system. The measure would cut taxes for homeowners and small businesses, while providing over \$1 billion in new resources for health care and education. However, it is unlikely that I-1098 could be implemented quickly enough to help with Washington's immediate economic problems. In the short run, lawmakers must work with our existing revenue system to preserve core public services.

Acknowledgements

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Foundation, and the Seattle Foundation. The findings and conclusions presented in this report are those of the authors alone, and do not necessarily reflect the opinions of these organizations.

Endnotes

1. The supermajority requirement was originally established in 1993, when voters approved Initiative 601. Under I-601, only general fund revenue increases were subject to this requirement.
2. Available on-line at <http://budgetandpolicy.org/reports/revenue-measures-enacted-in-washington-state-in-2009-and-2010>.
3. Marilyn Watkins, "Initiative 1098: The Right Fix for Washington's Flawed Tax Structure," The Economic Opportunity Institute, http://www.eoionline.org/tax_reform/reports/I1098-brief-Apr2010.pdf
4. The Washington State Tax Structure Study Committee, "Tax Alternatives for Washington State: A Report to the Legislature," November 2002, http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/WAtaxstudy/Final_Report.htm.
5. The Institute on Taxation and Economic Policy, "Who Pays? A Distributional Analysis of the Tax System in All 50 States," third edition, November 2009, http://itepnet.org/state_reports/whopays.php
6. The Economic Opportunity Institute, "Initiative 1098: What counts as a small business?" June 2010, http://www.eoionline.org/tax_reform/fact_sheets/WhatIsConsideredaSmallBusiness-Jun2010.pdf.
7. Washington State Liquor Control Board, "FY2009 Annual Report," <http://liq.wa.gov/>
8. Gerry Brodsky, "Final Report: Washington State Liquor Control Board Organizational and Operational Review," Public Knowledge, LLC, September 2005, <http://liq.wa.gov/publications/WSLCBOrganizationalAndOperationalReview.pdf>.
9. Prior to 2006, out-of-state manufacturers were prohibited from selling beer and wine directly to retailers. A recent Appellate Court ruling and state legislation has significantly loosened this and other restrictions designed to separate the tiers.
10. See endnote seven.
11. Unit based liquor taxes currently amount to about \$3.80 per-liter. Sales taxes are equivalent to about 20.5 percent of the selling price to consumers or 13.7 percent of the price paid by restaurants.
12. The markup rate was temporarily increased to 51.9 percent in August of 2009 to help maintain services during the current FY2010-11 biennium.
13. On August 10, 2010, the Office of Financial Management (OFM) will release official fiscal impact estimates for all initiatives slated to appear the November ballot.
14. Washington State Budget & Policy Center calculations based on gross sales forecast data from the Washington State Liquor Control Board. Revenues based on gross sales less taxes and discounts. If current taxes are included, revenues would be roughly \$64 million per year.
15. Washington State Auditor's Office, "State Government Performance Review: Opportunities for Washington," Revised January 2010, <http://www.sao.wa.gov/AuditReports/AuditReportFiles/ar1002726.pdf>
16. Under I-1100, licensing fee revenues could only be used for expenses related to administering and enforcing liquor licenses and limiting underage or abusive drinking. I-1100 would also establish a new tax of 10% on the selling price of hard liquor to restaurants.
17. See endnote 15.
18. Washington State Budget & Policy Center calculations of data from the Office of Financial Management (OFM).
19. State taxes on candy, soda, and bottled water were obtained from Impacteen -- a research organization sponsored by the Robertwood Johnson Foundation and the University of Illinois at Chicago, www.impacteen.org -- and from a Budget & Policy Center survey.
20. The New England Journal of Medicine, "The Public Health and Economic Benefits of Taxing Sugar-Based Beverages," September 11, 2009.
21. Eric Sorensen, "Seven Wonders for a Cool Planet: Everyday Things to Help Solve Global Warming," The Sightline Institute.
22. In King County, the combined state and local sales tax rate is 9.5 percent. The Department of Revenue estimates the price-elasticity of demand for candy, soda, and bottled water to be 0.9, <https://fortress.wa.gov/binaryDisplay.aspx?package=27107>
23. The Washington State Department of Health, the 5930 program, description available on-line at <http://www.doh.wa.gov/PHIP/products/5930/overview.htm>.
24. Washington State Department of Ecology, Air Quality Program, description available on-line at: <http://www.ecy.wa.gov/air.html>.
25. Washington State Department of Ecology, Water Quality Program, description available on-line at <http://www.ecy.wa.gov/water.html>.
26. The exemption for canning and preserving fruits and vegetables is scheduled to expire in 2012. Companies that claimed the exemption will then be eligible to receive a preferential, 0.138 percent B&O tax rate.