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JENN BIGGAR
DOUGLAS COUNTY CLERK
WATERVILLE, WA
BY _____ DEPUTY

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR DOUGLAS COUNTY

CHRIS QUINN, *et al.*,

Plaintiffs,

vs.

STATE OF WASHINGTON;
DEPARTMENT OF REVENUE, *et al.*

Defendants.

and

EDMONDS SCHOOL DISTRICT, *et al.*

Intervenors.

APRIL CLAYTON, *et al.*,

Plaintiffs,

vs.

STATE OF WASHINGTON;
DEPARTMENT OF REVENUE, *et al.*

Defendants.

and

EDMONDS SCHOOL DISTRICT, *et al.*

Intervenors.

No. 21-2-00075-09

No. 21-2-00087-09

MOTION TO FILE AMICI CURIAE BRIEF

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I. INTRODUCTION

Mrs. Mary Ann Warren, Meliesa Tigard, Kristen Cameron, and Dr. Katherine Baird (“Movants”) seek to file an amici curiae brief to provide the Court with important context for the parties’ arguments over the legality of Engrossed Substitute Senate Bill 5096 (“ESSB 5096”), the capital gains tax. Movants have deep roots in Washington and extensive personal and professional experience with Washington’s regressive tax system, the ways that system harms the local economy and small businesses, and the critical importance of the education initiatives the capital gains tax will fund.

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II. IDENTITY OF MOVANTS

A. Mrs. Mary Ann Warren

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Mrs. Mary Ann Warren is former President of the Wenatchee Chamber of Commerce, Downtown Wenatchee Rotary member, Board Member and President of the Wenatchee Valley Museum and Cultural Center, volunteer with the Greater Wenatchee Community Foundation, and a retired business owner. Her more than 50 years of extensive community service includes leadership positions with the Council on Aging, Chelan County Red Cross, Mobile Meals, and United Way of Chelan and Douglas Counties, and the first woman board member of the Community Foundation of North Central Washington. She currently serves on the boards of the Lake Chelan Arts Council and the Lake Chelan Historical Society, and is a Lake Chelan Rotary member.

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Mrs. Warren was born and raised in Wenatchee, graduated from Wenatchee High School in 1960, and earned a B.S. from the University of Washington. She married her high school sweetheart, Thomas C. Warren, a former Chelan County District Court Judge, and they

1 raised two daughters in Wenatchee. She is a proud grandmother, who cares deeply about the
2 future of children, their parents, and the state of Washington.

3 Mrs. Warren owned and managed two successful family businesses: Brownson's
4 Lumber, and Mission Square. In addition to being the first woman elected President of the
5 Wenatchee Chamber of Commerce, she also served on the boards of the Western Building
6 Material Association, Wenatchee Visitor and Convention Bureau, and Washington State Apple
7 Blossom Festival. Mrs. Warren believes in paying her share in taxes because government
8 spending creates more jobs and more spending at businesses, growing local economies and
9 helping all communities.
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11 In addition to her Central Washington business experience, Mrs. Warren is an expert on
12 the importance of investing in early childhood education and high-quality childcare. She has
13 served on the board of Head Start for nearly 35 years and worked for Catholic Family & Child
14 Services for 18 years. She was Board President of the Child Care Resource and Referral
15 Network, and helped create Mustard Seed Neighborhood Center, one of Wenatchee's first low-
16 income childcare centers. Mrs. Warren has decades of firsthand experience helping parents and
17 children get the help they need to succeed in school and life, and she has seen how early
18 education and quality childcare can improve the lives of entire families.
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20 **B. Meliesa Tigard**

21 Meliesa Tigard is a small business owner in Wenatchee and an education expert. Since
22 2003 she has owned Focal Point Educational Services, a private after-school learning center
23 where more than 1,000 Wenatchee students have received critical help with math and language
24 skills. Ms. Tigard teaches all levels of children, from kindergarten through grade 12, from those

1 with learning disabilities to foster children to honor students. Her business does not receive any
2 direct state funding.

3 Ms. Tigard's great-grandfather was one of Wenatchee's first homesteaders, arriving in
4 1898 to form what is now the 350-acre Tyee Ranch on the Entiat River. A Presidential Scholar,
5 Ms. Tigard earned a B.A. with High Honors from the University of Montana in 1995. She has
6 worked, lived, and raised two children in Wenatchee because she loves the area's people and
7 strong sense of community. She believes that the capital gains tax is a much-needed
8 improvement in Washington's tax code because "those of us who are doing well are
9 beneficiaries of our public education system, either directly or indirectly."
10

11 Ms. Tigard's life's work is helping Wenatchee's children succeed academically so that
12 they have the tools to succeed in life. She believes ESSB 5096 will dramatically improve
13 Wenatchee students' access to early education. She has seen that the lack of early education,
14 such as no pre-K, can be extremely detrimental to students because they feel like failures in
15 school, and will quickly learn avoidance strategies, impacting the rest of their lives.

16 Ms. Tigard believes that by investing \$500 million each year in the state's early
17 education, childcare, and other education programs, ESSB 5096 will help Wenatchee children
18 build successes early on, helping them feel more motivated in school. She also believes it will
19 assist Wenatchee parents who cannot afford to work because they cannot find affordable
20 childcare.
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24 **C. Kristen Cameron**

1 Mrs. Kristen Cameron is a retired teacher and former corporate recruiter living in
2 Wenatchee. She is a board member of the Wenatchee Confluence Rotary and chair of the club's
3 Local Service Projects Committee where she serves the community by arranging weekend food
4 packages for students who are food insecure, stocking neighborhood essential pantries,
5 arranging bell ringing for the Salvation Army, and purchasing winter clothing and gifts for
6 children under CPS review. She believes that very wealthy Washingtonians have a
7 responsibility to pay back the communities and public systems that helped them succeed so that
8 others may follow.
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10 Mrs. Cameron has a B.S in Business Administration from Central Washington
11 University, a Masters in Education from Antioch University, and an Administrative Credential
12 from Washington State University. She and her husband Ken Heinle, also a retired educator,
13 have lived, worked, and raised a family in Wenatchee for more than 30 years. They love
14 Wenatchee, its community and connections, and want to help others through community
15 service.
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17 As a Human Resources professional, Mrs. Cameron worked for Blue Cross and the
18 John Graham Company. During her business career, she witnessed how the childcare shortage
19 directly affects the labor market and economic growth as businesses invest in hiring, training,
20 and then losing employees who cannot find childcare. Three of Mrs. Cameron's adult nieces
21 have been forced to leave lucrative, rewarding careers because they could not find affordable,
22 quality childcare.

23 Over her 27-year career in public education, Mrs. Cameron taught more than 2,500 Wenatchee
24 students at Pioneer Middle School and Wenatchee High School. She served as President of the

1 Wenatchee Education Association and as co-chair of several district-wide committees,
2 including teacher evaluation, with the Wenatchee School District.. She became a teacher to
3 empower Wenatchee's young people to positively contribute to their communities. She has
4 seen firsthand how the growing funding gap for schools directly impacts education and health
5 outcomes for students. For example, the Wenatchee School District currently has state funding
6 for just one school nurse to protect the health and learning environments of almost 8,000
7 students. Mrs. Cameron believes that ESSB 5096's new investments of millions more into
8 Wenatchee's childcare, early learning, and education programs will pay off in huge rewards for
9 students and future generations.
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11 **D. Dr. Katherine Baird**

12 Dr. Baird is an international expert in economics and public policy, served as Fulbright
13 Senior Lecturer, Universidad del País Vasco, Bilbao, Spain (2007 - 2008), and has authored
14 more than three dozen books, peer-reviewed articles, editorials, and other publications
15 including Trapped in Mediocrity: Why Our Schools Aren't World-Class and What We Can Do
16 About It (Rowman & Littlefield Publishers, 2012), and "*Including Private Health Care Costs*
17 *in Measuring Nations' Redistributive Effort,*" *Journal of Income Distribution*, 26(2) (2018). Dr.
18 Katherine Baird earned her Ph.D in Economics from the University of Massachusetts and her
19 M.Sc. in Agricultural Economics from Michigan State University.
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21 Dr. Baird is a fourth generation Washingtonian. Her great-grandfather was a dairy
22 farmer in what is now Lakewood. She believes that her own success and that of her family,
23 including her two adult children and both of her parents, resulted from excellent education
24 opportunities provided by Washington's public education and higher education systems.

1 Dr. Baird has dedicated her career to public service as a Professor at the University of
2 Washington Tacoma where she has taught Foundational Economics and Public Policy to an
3 estimated 4,000 students over her 20-year career. She is the recipient of numerous grants,
4 honors, and awards including the UWT Distinguished Community Engagement Award (2020),
5 the Distinguished Teacher of the Year Nomination, University of Washington Tacoma (2002,
6 2014), and the Chair's Award for Superior Teaching, Department of Economics, University of
7 Massachusetts (1999). She has an interest in the success of her (hopefully) future
8 grandchildren, as well as her students, and many future generations of Washingtonians who
9 will benefit from greater access to childcare, early learning programs, and other education
10 opportunities funded by this capital gains tax.

12 As an economist, Dr. Baird also has an interest in Washington's economic and
13 workforce health. She writes that "spending cuts take money directly out of people's hands.
14 When those with less money spend less, the economic effect is multiplied. A laid-off social
15 worker has less income, which via her lower spending, translates into less income elsewhere. It
16 is why in a recent New York Times op-ed, Kitty Richards and Nobel Prize winning economist
17 Joseph Stiglitz estimate that each dollar in state cuts leads to \$1.50 to \$2.50 less in state
18 income." "*Opinion: It's time for Olympia to impose new taxes on the wealthy,*" Puget Sound
19 Business Journal (2020).

21 III. RELIEF REQUESTED

22 Movants respectfully request that the Court consider their amici curiae brief attached
23 hereto, in support of the State of Washington defendants' and Education Intervenors' motions
24 for summary judgment.

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IV. ARGUMENT

This Court has “the discretion to permit [amicus curiae] participation if it may be helpful to the court.” *Parsons v. DSHS*, 129 Wn. App. 293, 302, 118 P.3d 930, 934 (2005) (noting that “amici often provide broad background by way of reference to studies or articles”). In anticipation of amicus interest in this case, the Court’s October 28, 2021 order established a deadline and page limits for amicus briefs. Movants have complied with the Court’s order.

Movants also meet the Rule of Appellate Procedure 10.6 criteria for filing an amicus brief.

Movants are familiar with the arguments presented and to be presented by the parties. Furthermore, as active members of their communities, life-long multi-generation Washington residents, and experts in local economic policy and early learning, Movants are intimately familiar with the issues underlying taxation in Washington State.

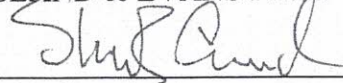
Movants believe that additional background and argument on these issues will be helpful to the Court. Movants’ brief addresses *why* Washington’s regressive tax code is so harmful and *how* the capital gains tax will help fix the problem. This brief also addresses the overwhelming benefits the tax will have on rural taxpayers and agriculture-based economies like Douglas County’s by explaining who will pay the capital gains tax and how the revenue will be spent. This background provides important context for evaluating Plaintiffs’ standing and their claim that maintaining the status quo of regressive taxes is somehow equitable. To the contrary, Movants’ brief shows that the upside-down tax code has been harming Washingtonians for generations.

V. CONCLUSION

1 For the foregoing reasons, the Court should grant Movants leave to file their amicus
2 brief.

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7 Respectfully submitted this 20th day of December 2021.

8 CROSSLAND & EVANS PLLC

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Stephen R. Crossland

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I. INTRODUCTION

Washington's regressive tax code is bad for our economy and bad for future generations. The Legislature passed a capital gains tax to fix our upside-down tax system so those who should pay more, do pay more. This new tax impacts just the exceptionally wealthy, an estimated 0.2% of all Washington households, most of which are in King County. Revenue from the capital gains tax will boost economic growth and recovery from the pandemic recession, and it will greatly expand childcare and early learning programs, which are critical to our state's immediate economic growth and our long-term future.

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14 Joseph Stiglitz estimate that each dollar in state cuts leads to \$1.50 to \$2.50 less in state
15 income." *"Opinion: It's time for Olympia to impose new taxes on the wealthy,"* Puget Sound
16 Business Journal (2020).

17 **III. ISSUES ADDRESSED BY AMICI**

18
19 Amici address the equities of making our state's tax code less regressive using a capital
20 gains tax borne almost exclusively by exceptionally wealthy individuals in Western
21 Washington. Amici also address the substantial economic benefits that will come from
22 spending the tax revenue on early learning and childcare, especially in areas like Douglas
23 County where nearly 14% of childcare providers have recently closed their doors.

24 **IV. ARGUMENT**

1 **A. Washington’s regressive tax code is bad for the economy and for future**
2 **generations.**

3 Multiple studies since the mid-1990s have all concluded that Washington state has a
4 deeply regressive state and local tax code. The Institute on Taxation and Economic Policy
5 (“ITEP”) has been modeling the distribution (progressivity) of the state and local tax codes of
6 all 50 states since 1996. ITEP has consistently found that Washington State has the most
7 regressive state and local tax code in the nation. In their most recent report from 2018, they
8 found the poorest fifth of households in Washington pay 17.8% of their incomes in state and
9 local taxes, on average.¹ The wealthiest 1% of households pay 3% on average. *Id.* This
10 regressive tax system disproportionately harms Black, Indigenous, and people of color.²

12 The bipartisan Tax Structure Work Group, composed of members of the Legislature,
13 representatives from the Governor’s office and Department of Revenue, and representatives
14 from city and county governments, recently issued similar findings: the second poorest 10% of
15

18 ¹ ITEP, *Washington State: Who Pays? Sixth Ed.* (2018), <https://itep.org/whopays/washington/>.
19 ² Washington State Budget & Policy Center (“WSBPC”), *Washington’s Tax Code Is An Untapped Resource To*
20 *Advance Racial Justice*, (Oct. 2019), [https://budgetandpolicy.org/resources-tools/2019/10/2019-Brief-WA-Tax-](https://budgetandpolicy.org/resources-tools/2019/10/2019-Brief-WA-Tax-Code-is-untapped-resource-for-racial-justice.pdf)
21 [Code-is-untapped-resource-for-racial-justice.pdf](https://budgetandpolicy.org/resources-tools/2019/10/2019-Brief-WA-Tax-Code-is-untapped-resource-for-racial-justice.pdf); Andy Nicholas and Margaret Babayan, *Washington state’s*
22 *upside-down tax code is even more racist than you think*, (Feb. 10, 2021),
23 [https://budgetandpolicy.org/schmudget/washington-states-upside-down-tax-code-is-even-more-racist-than-you-](https://budgetandpolicy.org/schmudget/washington-states-upside-down-tax-code-is-even-more-racist-than-you-think/)
24 [think/](https://budgetandpolicy.org/schmudget/washington-states-upside-down-tax-code-is-even-more-racist-than-you-think/).

1 households pay 15% of their incomes in Washington state and local taxes on average, while the
2 wealthiest 10% pays 3.4% on average.³

3 These recent studies echo what state economists have been reporting for decades. A
4 2011 report from the State's Office of Financial Management found that the poorest 10% of
5 households in Washington state pay 23.2% of their incomes in state and local taxes on average
6 while the wealthiest 10% pay 5.1% on average.⁴ Ten years earlier, a study of Washington's
7 state and local tax code commissioned by the Legislature found that the poorest households pay
8 15.7% of their incomes in taxes while the wealthiest households pay 4.4% on average.⁵

9 Numerous organizations, ranging from the Retired Public Employees Council of WA to
10 the Arc of Washington State, summarized the current tax and revenue climate in stark and
11 accurate terms when they noted that the ultra-wealthy:
12

13 can reap extra billions from e-commerce during this crisis while millions of
14 families across Washington suffer. This suffering will only be compounded if
15 lawmakers do not take swift action to raise new, progressive revenue and stave
16 off devastating cuts to essential services and programs. But more so, this is an
17 opportunity to make a historic shift in how our state approaches revenue, a shift
18 to make our tax system equitable and just, formidable to economic downturns,
19
20

21 ³ State of Washington Dept. of Revenue, *Tax Structure Work Group (TSWG) Meeting*, at 80 (Dec. 4, 2020)
22 https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/Misc/TSWGMeeting2020_1204.pdf.

23 ⁴ State of Washington Office of Financial Management, *The Distribution of Income, Wealth, and Taxes Across
Washington Households*, at 44,
(2011), https://ofm.wa.gov/sites/default/files/public/legacy/reports/income_wealth_report.pdf.

24 ⁵ Washington State Tax Structure Study Committee, *Tax Alternatives for Washington State: A Report to the
Legislature, Ch. 4*, at 23, (Nov. 2002),
https://dor.wa.gov/sites/default/files/legacy/Content/AboutUs/StatisticsAndReports/WAtaxstudy/Chapter_4.pdf.

1 and responsive to a 21st century economy where traditional revenue streams are
2 changing.⁶

3
4 The Intervenor Education Parties' motion for summary judgment identifies the role
5 *Culliton v. Chase*, 174 Wash. 363, 25 P.2d 81 (1933) and *Jensen v. Henneford*, 185 Wash. 209,
6 53 P.2d 607 (1936) have played in Washington's regressive tax code. While those cases do not
7 directly apply to the capital gains tax because it is an excise tax, their legacy of an extremely
8 damaging regressive tax system provides another reason to disregard them. *Cf. Deggs v.*
9 *Asbestos Corp. Ltd.*, 186 Wn.2d 716, 729-30, 381 P.3d 32 (2016) (overturning precedent in
10 part because it was harmful).

11 **B. The capital gains tax intends to fix an upside-down tax system so those who should**
12 **pay more do.**

13
14 While for decades the Washington tax code has relied heavily on sales and use taxes, it
15 is within the province of the Legislature to move away from this regressive structure. See
16 *Wash. Bankers Ass'n v. Dep't of Revenue*, 198 Wn.2d 418, 444, 450, __ P.3d__ (2021). In
17 *Washington Bankers Association*, the state supreme court upheld a tax that "asked the wealthy
18 few to contribute more to funding essential services and programs to the benefit of all
19 Washingtonians," recognizing that it is legitimate for the Legislature to "raise revenue and
20 address disparities in wealth and income by imposing an additional tax on institutions
21 generating immense profits." *Id.* Through the capital gains tax, the Legislature intended to take
22

23 ⁶ WSBPC, *Letter from the Balance Our Tax Code Coalition*, (June 17, 2020),

24 <https://budgetandpolicy.org/schmudget/washington-lawmakers-invest-in-communities-dont-make-knee-jerk-cuts/>.

1 a step toward shifting the burden of funding essential state services off those least able to pay
2 and onto those who can. ESSB 5096 § 1 (“The legislature further recognizes that a tax system
3 that is fair, balanced, and works for everyone is essential to help all Washingtonians grow and
4 thrive. But Washington’s tax system today is the most regressive in the nation.”)

5 **C. Exceptionally wealthy King County residents will pay the most, disproportionately**
6 **benefiting more rural counties like those in the Northeast Region of Washington.**

7
8 Only 0.2% of households in Washington state are projected to be subject to the capital
9 gains tax.⁷ Fully 90% of all households subject to the excise tax on capital gains live in
10 Western Washington. Nearly three-fifths (59%) of impacted households live in King County.
11 *Id.* Some 91% of the total revenue generated by the tax will come from residents living in
12 Western Washington. *Id.* Two-thirds (66%) of the total revenues will come from residents
13 living in King County. *Id.*

14 Only 0.7% (58) of total households impacted by the new state excise tax on capital
15 gains live in the Northeast Region of Washington state, an area that includes Douglas, Ferry,
16 Lincoln, Okanogan, Pend Oreille, and Stevens counties. *Id.* Only 1% of the total revenue
17 generated by the new state excise tax on capital gains will come from residents living in the
18 Northeast Region of Washington state. *Id.* The 58 households living in the Northeast Region
19 who might be subject to new capital gains excise tax are incredibly wealthy, with incomes
20 averaging nearly \$4 million per year. *Id.*

21
22 _____
23 ⁷ See State of Washington Dept. of Revenue, *Capital Gains Return Counts and Net Tax Stratified on County or*
24 *Region for Tax Year 2022 - ESSB 5096 as passed the Legislature*, (May 27, 2021).

Region	Households subject to state capital gains excise tax	Share of total households subject to state capital gains excise tax	Percentage of households in the region that may be subject to capital gains excise tax	Contribution as a percent of total state excise tax revenue	Average income of affected taxpayers
Western					
Washington ⁸	7,333	90%	0.23%	91%	\$1,813,544
King County	4,791	59%	0.39%	66%	\$3,790,633
Eastern					
Washington ⁹	838	10%	0.11%	9%	\$2,705,957
Northeast					
Region ¹⁰	58	0.7%	0.08%	1%	\$3,953,703

In light of the current data projections, the State probably overestimated when it wrote that less than five individuals in Douglas County *might* be subject to the tax. The State's calculation assumed that taxpayers would be evenly spread throughout the state on a per capita basis, but the above data shows that taxpayers overwhelmingly reside in Western Washington, especially King County, even on a per capita basis. Indeed, given the statutory exemptions for, among other things, sales of real estate and livestock, it is clear that the tax will be disproportionately funded by exceptionally wealthy households in Western Washington.

⁸ Clallam, Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, and Whatcom counties.

⁹ Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Grant, Kittitas, Klickitat, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman, and Yakima counties.

¹⁰ Douglas, Ferry, Lincoln, Okanogan, Pend Oreille, and Stevens counties.

1 **D. Increased state investments into jobs and education will boost economic growth**
2 **and recovery from the pandemic recession.**

3 Once fully implemented the capital gains tax will generate well over \$400 million per
4 year in new money for education, childcare, and early learning. Fiscal notes for ESSB 5096
5 project new revenue of \$442 million in fiscal year 2023 and rising to \$534 million by fiscal
6 year 2027.¹¹ The Economic Revenue and Forecast Council estimates revenue will average \$471
7 million per year in fiscal years 2024 and 2025.¹²

8
9 Increasing state spending by hundreds of millions, especially from taxes that only
10 impact the very wealthiest few, is good for the economy and working families. As Dr. Baird
11 and 19 other economic experts explained:

12 Drawing upon decades of sound economic theory and observation of other
13 economic cycles, we believe the best response to the looming recession is to
14 increase long-term investments in education, health care, infrastructure, and
15 economic security... Ensuring the wealthiest pay for investments is the most
16 productive and effective way to kickstart economic recovery and rebuild the
17 state's economy.¹³

18
19 This is not just academic theory. Since 2010, Minnesota's economy has performed far
20 better for working families than neighboring Wisconsin's because "Minnesota raised taxes,
21 largely on the wealthy, and used the additional funds to finance public investments in
22

23 ¹¹ State of Washington Office of Financial Management, *Multiple Agency Fiscal Note Summary, 5096 S SB PL*,
(June 22, 2021), <https://fnspublic.ofm.wa.gov/FNSPublicSearch/GetPDF?packageID=63363>

24 ¹² <https://erfc.wa.gov/sites/default/files/public/documents/meetings/rev20211119.pdf>

¹³ WSBPC, *supra* note 6.

1 infrastructure, education, and aid to low-income families. The state expanded preschool and
2 access to full-day kindergarten. Governor Dayton's government authorized the unionization of
3 new groups of state-funded workers, expanded access to paid sick leave, strengthened the
4 state's unemployment insurance program, and was an early adopter of the Medicaid expansion
5 under the Affordable Care Act."¹⁴

6 ESSB 5096's implementation will likewise increase jobs and consumer spending in
7 Washington. Modeling predicted a similar Washington capital gains tax would create nearly
8 20,000 jobs per year and increase both state GDP and consumer spending by over \$1 billion per
9 year.¹⁵ This likely underestimates the economic benefits of ESSB 5096, though, because the
10 modeling assumed all tax revenues would be distributed evenly across the state budget. *Id.* The
11 enacted law dedicates the revenue to early learning, which has an especially large return on
12 investment. *Id.* That is because every dollar spent by the government on services (like
13 childcare and education) multiplies into more economic output. This is especially true where,
14 as here, the incident of the tax is a transaction from one relatively inactive state to another (e.g.,
15
16
17

18 _____
19 ¹⁴ David Cooper, *As Wisconsin's and Minnesota's lawmakers took divergent paths, so did their economies*, (May
20 8, 2018),

21 [https://www.epi.org/publication/as-wisconsins-and-minnesotas-lawmakers-took-divergent-paths-so-did-their-](https://www.epi.org/publication/as-wisconsins-and-minnesotas-lawmakers-took-divergent-paths-so-did-their-economies-since-2010-minnesotas-economy-has-performed-far-better-for-working-families-than-wisconsin/)
22 [economies-since-2010-minnesotas-economy-has-performed-far-better-for-working-families-than-wisconsin/](https://www.epi.org/publication/as-wisconsins-and-minnesotas-lawmakers-took-divergent-paths-so-did-their-economies-since-2010-minnesotas-economy-has-performed-far-better-for-working-families-than-wisconsin/)

23 (internal citations omitted).

24 ¹⁵ WSBPC, *Why now is the time to pass a tax on extraordinary profits*, (Feb. 22, 2021),
https://budgetandpolicy.org/resources-tools/2021/03/2020-02-22_SB5096_Factsheet_FINAL.pdf

1 a stock investment being liquidated and transferred to a very wealthy person's bank account).¹⁶
2 Because the tax diverts some of that money into active circulation in the community – from
3 consumers to businesses to workers and back again – it provides a powerful boost to the
4 economy. *Id.*

5
6
7
8 **E. The capital gains tax will fund childcare and early learning which are critical to**
9 **immediate and long-term economic growth in Douglas County and across the**
10 **state.**

11 In Douglas County, nearly 14% of childcare providers have closed their doors.¹⁷ As of
12 June 2020, Douglas County childcare providers had spaces for just 1,019 children, which is
13 only 38% of the County's total estimated children (2,684) under 5 years of age. *Id.* Even if
14 more spaces were available, not all parents can afford licensed care; an estimated 15% of all
15 children in Douglas County are living in poverty. *Id.*

16 This trend holds true across the state: “[A]s of mid-January, 13% of providers statewide
17 closed because of the pandemic, a loss of 712 licensed child care programs, according to Child
18

19 ¹⁶ See Kitty Richards, *Bolstering State Economies by Raising Progressive Taxes*, (July 2020)
20 https://rooseveltinstitute.org/wp-content/uploads/2020/07/RI_BolsteringStateEconomies_IssueBrief_072020-1.pdf
21 (“Raising an additional dollar of revenue from a high income person during a recession, using the same
22 conservative mid-range multipliers as above, would only reduce economic output by 35 cents. When that dollar is
23 then spent on government services, it conservatively creates \$1.50 of new economic activity, for a net economic
24 surplus of \$1.15 per dollar of revenue raised and spent. Using the high end of the CBO’s multiplier estimates,
which would be consistent with recent research (Blanchard and Leigh 2013) (Chodorow-Reich et al. 2012), yields
a net multiplier for spending financed by taxes on the rich of 1.9.”)

¹⁷ Childcare Aware of Washington, *Child Care in Douglas County*, (Jan. 2021), <https://childcareawarewa.org/wp-content/uploads/2021/01/2020-County-Data-Douglas.pdf>.

1 Care Aware, a nonprofit that works with child care providers statewide. It has reduced capacity
2 by 29,290 children.”¹⁸

3 Childcare itself has an immediate benefit to local economies: freeing up a workforce to
4 get back to work. Parents need childcare in order to obtain and retain a job. Children need a
5 safe place to be that promotes their healthy development while their parents are working. The
6 childcare industry is an important economic driver within states. In fact, throughout the
7 country, childcare has an economic impact of \$99.3 billion.¹⁹

8
9 Myriad research and real-world experience has likewise demonstrated the enormous
10 economic benefits of public investments in early learning. Dr. Tim Bartik, a prominent expert
11 in state and local economic development, has shown that every \$10,000 invested today in a
12 child’s early learning will boost their lifetime earnings, and those of their parents, by more than
13 \$120,000.²⁰ And he has found that the bulk of those heightened future earnings remain in, and
14 stimulate, the local economy, since relatively few people ultimately move from one state to
15 another. *Id.*

16
17 Plaintiffs’ conclusory argument to the contrary must be rejected. Without any
18 supporting facts or authority, Plaintiffs ask the Court to ignore the equities relevant to 99.8% of

19
20 ¹⁸ Janelle Retka, *13% of child care providers in Washington state have closed because of pandemic*, Yakima
Herald-Republic, (Feb 25, 2021), https://www.yakimaherald.com/news/education/13-of-child-care-providers-in-washington-state-have-closed-because-of-pandemic/article_6c06fb49-da7b-58cb-9b78-57323b8f703c.html)

21 ¹⁹ Committee for Economic Development, *Child Care in State Economies 2019 Update*, (Jan. 31, 2019),
<https://www.ced.org/assets/reports/childcareimpact/181104%20CCSE%20Report%20Jan30.pdf>)

22 ²⁰ Timothy J. Bartik, *From Preschool to Prosperity: The Economic Payoff of Early Childhood Education*,

23 W.E. Upjohn Institute, (Jan. 1, 2014),

24 https://research.upjohn.org/cgi/viewcontent.cgi?article=1246&context=up_press)

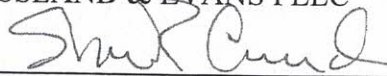
1 Washingtonians to protect alleged “personal reliance interests” of the “[m]any people [who]
2 have moved to Washington from other places” assuming that they would not have to pay their
3 share of taxes. Plaintiffs’ Motion for Summary Judgment at 25 n. 14. Plaintiffs insinuate that
4 the capital gains tax will cause people to leave the state, but the foregoing research, combined
5 with the very small number of households subject to the tax, shows otherwise.

6 V. CONCLUSION

7
8 The equities strongly support upholding the capital gains tax. The tax will raise well
9 over \$400 million annually from just 0.2% of all Washington households, 90% of which are in
10 Western Washington. The revenue will support schools, childcare, and early learning –
11 spending which has been shown to immediately boost the local economy and sustain long-term
12 economic growth. The tax thus provides an equitable solution for Washington’s regressive tax
13 code with outsized benefits for rural communities in Douglas County and across Eastern
14 Washington.

15
16 Respectfully submitted this 20th day of December 2021.

17
18 **CROSSLAND & EVANS PLLC**

19 

20 Stephen R. Crossland

FILED

DEC 20 2021

JENN BIGGAR
DOUGLAS COUNTY CLERK
WATERVILLE, WA
BY _____ DEPUTY

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR DOUGLAS COUNTY

CHRIS QUINN, *et al.*,

Plaintiffs,
vs.

STATE OF WASHINGTON;
DEPARTMENT OF REVENUE, *et al.*

Defendants.

and

EDMONDS SCHOOL DISTRICT, *et al.*

Intervenors.

APRIL CLAYTON, *et al.*,

Plaintiffs,
vs.

STATE OF WASHINGTON;
DEPARTMENT OF REVENUE, *et al.*

Defendants.

and

EDMONDS SCHOOL DISTRICT, *et al.*

Intervenors.

No. 21-2-00075-09
No. 21-2-00087-09

NOTE FOR LAW AND MOTION

1 TO THE CLERK OF THE COURT, and to opposing attorneys:

2 NOTE FOR LAW AND MOTION CALENDAR

3
4 (x) Please note that this matter will be heard on the regularly scheduled Law and Motion
5 Calendar on Tuesday the 25th day of January, 2022 before the Honorable Brian Huber at
6 1:30 p.m. Nature of Hearing: Enter an Order allowing filing of an Amicus Brief.

7
8 () Please note that this Summary Judgment will be heard on the regularly scheduled Law and
9 Motion Calendar before the Honorable , on the day of , at 1:30 p.m. Note: This matter
10 must be confirmed by noon the Thursday preceding the hearing pursuant to LR 56 (i) or it
11 will be stricken.

12 NOTE FOR SHOW CAUSE CALENDAR

13 () Please note that this matter will be heard on the regularly scheduled Show Cause Calendar
14 on Wednesday the day of , , before Court Commissioner Vandegrift at 1:30 p.m.

15 NOTE FOR DISSOLUTION CALENDAR

16 () Please note that this matter will be heard on the regularly scheduled Dissolution Calendar
17 on Wednesday the day of , , before Court Commissioner Schmidt at 10:00 a.m.

18 NOTE FOR SPECIAL SETTING

19 All dates and times for special settings must be obtained from the person responsible for
20 scheduling for the Judge or Commissioner before which the Motion is to be set.

21 () Please note that this Summary Judgment has been specially set on the Law and Motion
22 Calendar before the Honorable , on the day of , at p.m. Note: This matter must be
23 confirmed by noon the Thursday preceding the hearing pursuant to LR 56 (i) or it will be
24 stricken.

() Please note that this Show Cause has been specially set on the Show Cause Calendar
before Court Commissioner Young on the day of , at .m. Note: This matter must be
confirmed by noon the Thursday preceding the hearing pursuant to LR 77 (3) (b) or it will
be stricken.

() Please note that this matter has been specially set before Court Commissioner Cordell on
the day of , at .m. Nature of Hearing:

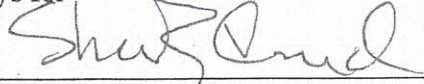
1 USE THIS SECTION ONLY IF NONE OF THE ABOVE APPLY

2 () Please note that this matter has been specially set before the Honorable , on the day of , at
3 .m. Nature of Hearing:

4 DATED this 20th day of December, 2021.

5 **CROSSLAND & EVANS PLLC**

6 Attorneys for

7 By 
8 Stephen R. Crossland

9 WSBA # 5083
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NOTE FOR LAW AND MOTION CALENDAR

Page 3 of 3

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