



NEWS

AMERICANS FOR TAX REFORM

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Voters to Face \$1 Billion Sales Tax Hike

-Washington Could Lead the Nation with Highest Sales Tax Rate-

Washington D.C. – On November 2nd, voters in the state of Washington will have the opportunity to become notorious. The passage of Initiative 884 will give the state of Washington the distinction of having the highest sales tax rate in the nation.

Initiative 884 or I-884 will increase the state sales by 15 percent, raising the rate from 6.5 percent to 7.5 percent. In a number of cities, the total sales tax rate could become as high as 10 percent when combined with local sales taxes.

“It is a disgrace that politicians are asking Washington state residents to hand over more of their hard earned income in taxes while state revenues are increasing,” said taxpayer advocate Grover Norquist, president of Americans for Tax Reform. **“Voters need to be aware that Washington will have the highest sales tax in the country if this job killing, economically disastrous tax increase is approved.”**

An economic model was developed by the Beacon Hill Institute at Suffolk University in conjunction with the Washington Policy Center which showed that approximately 10,000 would be lost in the state. In addition, the retail sector would face huge decline and disposable income would be decreased by an average of \$115 per resident. Furthermore, Washington residents with the lowest incomes will be forced to pay an additional 0.8% of their income in taxes.

The supporters of I-884 claim that the measure will create a trust fund to support the state’s education system, yet spending on K-12 and higher education have virtually doubled in real terms in a twenty year time period from \$3.96 billion in 1980 to \$7.67 billion in 2000.

“This initiative is just a disguised plan to increase the size of government,” continued Norquist. **“If education funding is such a priority, then policymakers should cut the existing waste and mismanagement and reallocate the money for education purposes. But in no way should Washington State taxpayers be forced to pay higher taxes when revenues are increasing and pork projects are currently being funded.”**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Chris Butler at (202) 785-0266 or at cbutler@atr.org.