



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

February 13, 2007

Motion 12463

Proposed No. 2007-0104.1

Sponsors Phillips, Hague, Lambert, Dunn,
von Reichbauer, Patterson,
Constantine, Ferguson and Gossett

1 A MOTION thanking the Washington state congressional
2 delegation for its successful efforts to obtain enactment of
3 bill H.R. 6111, amending the Internal Revenue Code of
4 1986 to continue the deduction of state and local general
5 sales taxes in lieu of state and local income taxes for the
6 2006 and 2007 tax years to provide a fair federal income
7 tax structure for the people of Washington, Florida,
8 Nevada, South Dakota, Tennessee, Texas and Wyoming;
9 and for introducing House bill H.R. 60 and Senate bill S.
10 143 in the current session of Congress to make permanent
11 the deduction of state and local general sales taxes.

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14 WHEREAS, the federal tax reform act of 1986 unfairly penalized the taxpayers of
15 King County and the state of Washington by eliminating the state and local retail sales
16 tax deduction in the calculation of federal income taxes owed, and

17 WHEREAS, from 1986 until 2004 federal law allowed taxpayers in over forty
18 states to deduct their state income tax from their federal tax return, but did not allow the
19 deduction of state and local sales taxes for those residents of states without an income
20 tax, including Washington, Florida, Nevada, South Dakota, Tennessee, Texas and
21 Wyoming, and

22 WHEREAS, from 1986 to 2004 two families with the same salary and identical
23 financial profiles were taxed differently under the federal tax code simply because they
24 lived in states with different local tax structures, and

25 WHEREAS, almost one million working men and women living in King County
26 paid disproportionately higher federal income taxes than similar families across America,
27 because King County residents were not able to deduct Washington state and local sales
28 taxes from their federal income tax returns, and

29 WHEREAS, through the efforts of the Washington state congressional delegation
30 federal legislation was enacted allowing the deduction of state and local general sales
31 taxes in lieu of state and local income taxes for the 2004 and 2005 tax years, but that
32 legislation was limited to the 2004 and 2005 tax years, and

33 WHEREAS, with the continuation of the retail sales tax deduction, taxpayers of
34 King County who itemize their deductions will realize substantial savings, estimated at
35 an average of five hundred nineteen to five hundred seventy-five dollars per family in
36 their federal income taxes, for a total savings to Washington State residents of four
37 hundred eighty-eight million to five hundred forty-one million dollars per year, and

38 WHEREAS, the metropolitan King County council has consistently advocated
39 federal tax equity for county residents, urging the United States Congress to restore the
40 state and local sales tax deduction in lieu of state income taxes, and

41 WHEREAS, city and county officials have joined together to request amendments
42 to the Internal Revenue Code of 1986 to restore the deduction of state and local sales
43 taxes in lieu of state and local income taxes, with joint letters of support submitted to the
44 state congressional delegation, and

45 WHEREAS, the Congress of the United States has approved bill H.R. 6111,
46 which amends the Internal Revenue Code of 1986 to allow a deduction of state and local
47 sales taxes in lieu of state and local income taxes for the 2006 and 2007 tax years, and the
48 President has signed the bill into law, thereby restoring tax equity by allowing
49 Washington state taxpayers to deduct state and local sales taxes from their 2006 and 2007
50 federal income tax returns, and

51 WHEREAS, the members of the Washington state congressional delegation have
52 introduced House bill H.R. 60 and Senate bill S. 143 in the current session of Congress to
53 amend the Internal Revenue Code of 1986 to make permanent the deduction of state and
54 local general sales taxes;

55 NOW, THEREFORE, BE IT MOVED by the Council of King County:

56 The King County council respectfully expresses its gratitude to the members of
57 the Washington state congressional delegation for their successful efforts in passing
58 H.R. 6111 to restore tax equity to the fifty-two million residents of Washington, Florida,
59 Nevada, South Dakota, Tennessee, Texas and Wyoming and persuading President
60 George W. Bush to sign the legislation into law as Public Law 109-432; and for

Motion 12463

61 introducing House bill H.R. 60 and Senate bill S. 143 in the current session of Congress
62 to make permanent the deduction of state and local general sales taxes.

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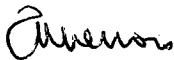
Motion 12463 was introduced on 2/12/2007 and passed by the Metropolitan King County Council on 2/12/2007, by the following vote:

Yes: 9 - Mr. Gossett, Ms. Patterson, Ms. Lambert, Mr. von Reichbauer, Mr. Dunn, Mr. Ferguson, Mr. Phillips, Ms. Hague and Mr. Constantine
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Larry Gossett, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments None