

History of the Washington State Income Tax

Overview – Washington is one of seven states that do not levy a state income tax. In 1929 the Legislature passed a flat rate corporate income tax. Because the tax did not apply to all businesses, the State Supreme Court overturned the law as a violation of equal protection rights. The people adopted a constitutional amendment in 1930 vaguely authorizing an income tax and the Legislature tried to enact one in 1931, but the Governor vetoed the law. Then, at the cusp of the Great Depression in 1932, Washington voters overwhelmingly approved an initiative establishing a graduated personal income tax with 70 percent support. However, the State Supreme Court struck down the initiative on the grounds that income is property and the State Constitution requires that property must be taxed in a uniform manner.

Since 1933, there have been several attempts to enact a personal and/or corporate income tax through constitutional amendments or popular initiatives. Each has been defeated handily.

-- Initiative 69 (1932): Graduated personal income tax and flat rate corporate income tax

Yes: 70.2% No: 29.8%

-- House Joint Resolution 12 (1934): Authorizing a graduated personal income tax

Yes: 43.4% **No: 56.6%**

-- Senate Joint Resolution 7 (1936): Authorizing a graduated personal income tax

Yes: 22.2% **No: 77.8%**

-- Senate Joint Resolution 5 (1938): Authorizing a graduated personal income tax

Yes: 33.1% **No: 66.9%**

-- House Joint Resolution 4 (1942): Authorizing a graduated personal income tax

Yes: 33.7% **No: 66.3%**

-- HJR 42 (1970): Limiting property taxes and authorizing a graduated personal income tax

Yes: 31.5% **No: 68.5%**

-- HJR 37 (1973): Authorizing a graduated personal income tax

Yes: 22.9% **No: 77.1%**

-- Initiative 314 (1975): Establishing a 12 percent corporate income tax

Yes: 33.2% **No: 66.8%**

-- Initiative 435 (1982): Establishing a corporate income tax

Yes: 33.8% **No: 66.2%**

Updated June 2008