

# Agenda Summary Report (ASR)

## Franklin County Board of Commissioners

<b>DATE SUBMITTED:</b> 11/02/2021	<b>PREPARED BY:</b> Shirley Jones
<b>Meeting Date Requested:</b> 11/09/2021	<b>PRESENTED BY:</b> Keith Johnson
<b>ITEM:</b> (Select One)          Consent Agenda <input checked="" type="checkbox"/> Brought Before the Board Time needed: 10 minutes	
<b>SUBJECT:</b> Income Tax Opposition	
<b>FISCAL IMPACT:</b> No fiscal impact	
<b>BACKGROUND:</b> <ul style="list-style-type: none"><li>• Article VII, § I of the Washington State Constitution establishes the basic framework for taxation in the state of Washington, including what shall be permitted as a tax.</li><li>• After the City of Seattle attempted to enact an income tax on certain individuals applicable within its municipal boundaries, the Washington State Court of Appeals, Division I ruled in Kunath v. City of Seattle, 10 Wash. App. 2d 205 (2019) that such a tax, when selectively applied, was unconstitutional and invalid, and also invalidated the statutory prohibitions on local governments from imposing a flat income tax.</li><li>• The Washington State Supreme Court denied the appeal of the Kunath case such that the ruling stands at this time.</li><li>• Numerous cities and counties in Washington State are adopting resolutions to oppose local income taxes. This resolution states Franklin County's objection to local income taxes.</li></ul>	
<b>RECOMMENDATION:</b> Approval of the resolution.	
<b>COORDINATION:</b> Keith Johnson, Franklin County Administrator	
<b>ATTACHMENTS: (Documents you are submitting to the Board)</b> ASR/Resolutions	
<b>HANDLING / ROUTING: (Once document is fully executed it will be imported into Document Manager. Please list <u>name(s)</u> of parties that will need a pdf)</b> Shirley Jones, County Administration	

*I certify the above information is accurate and complete.*

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Keith Johnson, Administrator

**FRANKLIN COUNTY RESOLUTION NUMBER**

BEFORE THE BOARD OF COUNTY COMMISSIONERS,  
FRANKLIN COUNTY, WASHINGTON

***IN THE MATTER OF PROHIBITING A LOCAL INCOME TAX ON WAGES, SALARIES,  
INVESTMENTS, THE SALE OF GOODS OR SERVICES OR ANY OTHER  
INCOME SOURCE***

**WHEREAS**, Article VII, § 1 of the Washington State Constitution establishes the basic framework for taxation in the state of Washington, including what shall be permitted as a tax;

**WHEREAS**, after the City of Seattle attempted to enact an income tax on certain individuals applicable within its municipal boundaries, the Washington State Court of Appeals, Division I ruled in *Kunath v. City of Seattle*, 10 Wash. App. 2d 205 (2019) that such a tax, when selectively applied, was unconstitutional and invalid, and also invalidated the statutory prohibitions on local governments from imposing a flat income tax; and

**WHEREAS**, the Washington State Supreme Court denied the appeal of the *Kunath* case such that the ruling stands at this time; and

**WHEREAS**, the Board of Franklin County Commissioners desires to declare its position regarding the potential for local governments to impose a local income tax on its residents and businesses; and

**WHEREAS**, businesses large and small provide the economic lifeblood in our County, the region, state and country; and

**WHEREAS**, the Board of Franklin County Commissioners knows that a strong and encouraging business climate is one of the best ways to attract and retain good businesses to employ people in family wage jobs; and

**WHEREAS**, imposing a local income tax may generate additional revenue in the short term, it would most likely result in less long-term revenue due to the dampening effect it would have on our businesses;

**NOW THEREFORE**, the Board of Franklin County Commissioners hereby declares and resolves as follows:

**Section 1.** The Board of County Commissioners hereby declares that the imposition of a local income tax on the businesses and residents of Franklin County is prohibited. Such a tax would be in direct conflict with the high value the County places on promoting economic development through the attraction and expansion of financially healthy, family wage paying employers. Small businesses are the backbone of our local, regional, state, and national economy and it is imperative that the County not put unnecessary hurdles in the way of their success. As such, the Board of Franklin County Commissioners prohibits the imposition of a local income tax in the event a local income tax is determined legal and permissible by the Washington State Legislature or the Washington State Supreme Court.

**Section 2.** Effective Date: This Resolution shall be effective upon adoption.

**APPROVED** this 9th day of November, 2021.

**BOARD OF COUNTY COMMISSIONERS  
FRANKLIN COUNTY, WASHINGTON**

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Clint Didier, Chair

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Rocky Mullen, Chair Pro Tem

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Brad Peck, Member

ATTEST:

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Clerk of the Board