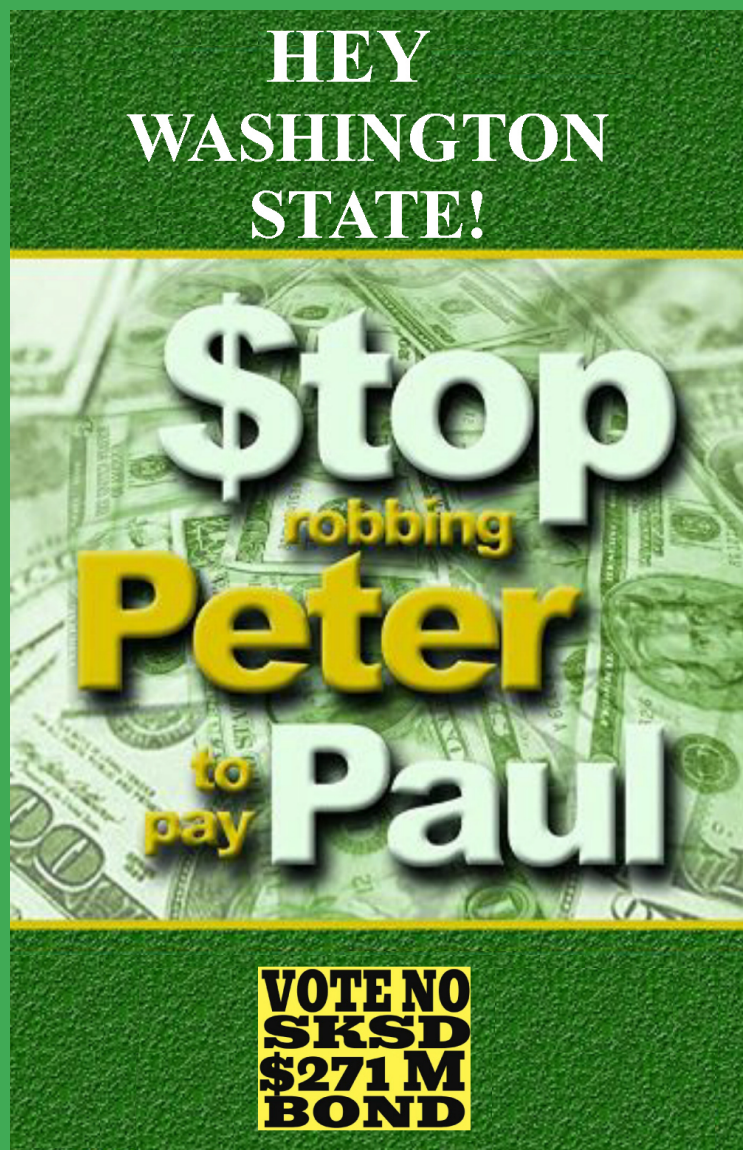


Our State Keeps
Paying Peter to Rob Paul
To Pay for Public Education



Well the funding crisis for public schools appears to have been solved. In 2021 our legislators tried to slip by a capital gains tax. It took our State Supreme Court to "stamp it up" as constitutional. It took effect January 1, 2022.

Is't this Excellent News! The State said: ***"This news shows what we have said all along – we have the ability to fully fund our education system"***.

This means SKSD will not need any levies or bonds!! I guess now we should expect that SKSD will not bother putting on that \$271,000,000 bond ask in November? We need to take the State at their word. Push harder to stop those school district asks for levies, and apparently also bonds for capital projects.

What follows bellow is "The Story" in Kitsap Sun today which has all the finer details as reported by the State.



NEWS

State rakes in nearly \$850M from capital gains tax, triple the budget estimates

Jerry Cornfield Washington State Standard

Published 2:13 p.m. PT May 26, 2023



A new capital gains tax is delivering huge dividends for the state.

Washington hauled in nearly \$850 million in first-year collections, which is more than triple the amount lawmakers counted on when they passed a new budget in April.

The unexpected first-year bounty will be poured into early learning and child care programs, and school districts in need of dollars for construction and renovation projects.

“This news shows what we have said all along – we have the ability to fully fund our education system when we ask the wealthy to come to the table like the rest of us and pay what they truly owe in taxes,” said Treasure Mackley, executive director of Invest in WA Now.

The tax took effect Jan. 1, 2022, with the first-year payments due on or by April 18.

Washington received 3,190 payments totaling \$849,167,518 as of May 9, according to the Department of Revenue. That averages out to roughly \$266,000 per payment

There have been 1,232 returns filed with 2,577 extensions granted. Those granted an extension have until Oct. 16 to file but had to make an estimated payment by last month’s deadline.

“We won’t have a final (total) until those 2,577 extended returns are submitted and processed,” Department of Revenue spokesman Mikhail Carpenter wrote in an email. “Because the payments are estimated some taxpayers will have overpaid and be due refunds while others may owe more.”

Even if the final sum dips a few million dollars, it will exceed expectations by a wide margin.

Lawmakers and Gov. Jay Inslee figured to pull in \$248 million in the first year – less than one-third of the actual haul. What’s come in is counted in the 2021-23 budget that runs through June 30.

They penciled in \$1.1 billion from the tax for the upcoming 2023-25 budget – \$427 million in the first year and \$717 million in the second.

“This kind of windfall, actually surprising revenue increase, could portend receiving more than we thought next year too,” said Sen. Christine Rolfes, D-Bainbridge Island, the lead budget writer in the Senate. “Or it could be one year of good news. We’ll see. We knew it was a volatile tax so we wanted to be sure we weren’t creating something unsustainable.”

Washington enacted the tax in 2021 and it faced immediate legal challenges. In March, the state Supreme Court found it constitutional.

It levies a 7% tax on the sale or exchange of long-term capital assets such as stocks, bonds, business interests, or other investments and tangible assets. It only applies to gains in excess of \$250,000.

The tax does not apply to the sale or exchange of real estate or to transactions through retirement savings accounts.

Under the law, the first \$500 million of revenue collected goes into the education legacy trust account, a source of dollars for public schools, early childhood education and child care programs. Anything above that amount is deposited in the common school construction account which is part of the capital budget.

“There’ll be more construction at schools this year,” Rolfes said. “We have a lot in need of renovations.”

PLEASE DON'T FORGET TO

**VOTE NO
SKSD
\$271 M
BOND**