

THERE IS NO FREE LUNCH!



There have been several articles on this capital gains tax windfall collected from mostly 'rich folks'. How many big and medium sizes business will change their domicile, or just relocate to a different state? to another state? And if they left in droves, what would that do to our state's economy and employment picture.

It is not clear on exactly how much of this windfall will be obligated to schools overall. Let's look at it this way:

295 school districts in our state.

With 295 school districts in our state if you divide \$850,000,000 by 295 then in theory each district would net \$2,881,000.

SKSD to pay off just one bond.

It would take SKSD about 90 years to pay off just one \$271,000,000 bond if \$3,000,000 was collected each year. Of course this tax was challenged in court, and then our State Supreme Court decided it is a tax that is constitutional. Wondering how many businesses might leave our area, how many more challenges to this tax in court we should expect.

Just how great is SKSD'S credit now.

And let's not forget, the long range planning committee was dreaming of money grabbing from the very start when they were impaneled. They (Mr. Fenton) & his disciples calculated that SKSD's credit worthiness could allow them to bond out up to \$800,000,000. Let that sink in if you think we will only have to vote on one bond!

Remember that old saying: There is no free lunch!



KPBX 91.1
Morning Classical

Avi Avital, Giora Feidman, Richard Galliano, Klaus Stoll & Itamar Doari - Between Worlds
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Regional News

Washington rakes in nearly \$850M from capital gains tax

Spokane Public Radio | By [Jerry Cornfield, Washington State Standard](#)

Published May 30, 2023 at 4:45 AM PDT



Laurel Demkovich, Washington State Standard

Gov. Jay Inslee, left, at a day care center in Olympia in May. Money from the state's capital gains tax will go to support child care and education programs.

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.”

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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



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