



Defend Working People and Replace Washington's Regressive Tax System

Resolution #2025.12

WHEREAS, the Trump administration's "One Big Beautiful Bill," enacted on July 4, 2025, slashes billions in federal funding for Medicaid, SNAP, Affordable Care Act subsidies, and other essential programs, threatening the health coverage of hundreds of thousands of Washingtonians and endangering rural hospitals; and,

WHEREAS, these federal cuts are part of a broader dismantling of the New Deal-era shared federal-state responsibility for public services and represent massive tax breaks for billionaires and large corporations, many of whom reside or are headquartered in Washington State; and,

WHEREAS, these policies exacerbate inequality in Washington, which already has one of the most regressive tax systems in the nation; and,

WHEREAS, credible research and real-world models show Washington can generate more sustainable, equitable revenue by adopting a graduated income tax and modern corporate net income tax, replacing regressive revenue streams; and,

WHEREAS, these reforms could potentially double the state's annual revenue, funding bold investments in housing, healthcare, education, infrastructure, and climate resilience, while reducing the tax burden on the bottom 60% of households; and,

WHEREAS, the 1933 Washington Supreme Court decision in *Culliton v. Chase* wrongly classified income as "property," blocking progressive taxation, and is increasingly viewed as outdated and ripe for reversal; and,

WHEREAS, respected constitutional scholars argue that *Culliton* misinterprets legal precedent and conflicts with the Legislature's taxing authority, opening a path for a fair, modern income tax framework; and,

WHEREAS, fears of "tax flight" are overstated and Washington's economic strengths continue to attract high-income earners and major businesses; now therefore, be it,

RESOLVED, that the Washington State Labor Council, AFL-CIO, calls on Governor Bob Ferguson at the first legislative opportunity and for the Legislature to enact a bold and comprehensive tax

reform plan that replaces Washington's regressive tax system with a progressive income and corporate tax structure; and be it further,

RESOLVED, that the WSLC urges this plan to reduce or eliminate regressive taxes that disproportionately impact working people while protecting funding for vital services and dedicated revenue streams; and be it further,

RESOLVED, that the WSLC calls for the new tax structure to include strong top marginal rates on the wealthy and profitable corporations, protect low- and moderate-income households, and be designed to withstand legal challenges; and be it finally,

RESOLVED, that the WSLC will advocate for this vision with the Governor, Legislature, affiliates, central labor councils, community partners, and the public to ensure working people benefit from a fair tax system that works for all Washingtonians.