

FORMATTING NOTE:

In initiatives, legislative bills and other proposed measures, language that is to be deleted from current statutes is represented by a "strikethrough" character and language that is to be added is underlined. Because these special characters cannot be formatted in all Internet browsers, a different set of symbols is used for presenting these proposals on-line. The symbols are as follows:

- Text that is surrounded by (({- text here -})) is text that will be DELETED FROM the existing statute if the proposed measure is approved.
- Text that is surrounded by {+ text here +} is text that will be ADDED TO the existing statute if the proposed measure is approved.
- {+ NEW SECTION+} (found at the beginning of a section or paragraph) indicates that ALL of the text in that section will become law if the proposed measure is approved.

* * *
INITIATIVE 664

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 664 to the People is a true and correct copy as it was received by this office.

AN ACT relating to revenue and taxation; adding a new chapter to Title 84 RCW; repealing chapters 82.02, 82.03, 82.04, 82.08, 82.12, 82.14, 82.14A, 82.14B, 82.16, 82.18, 82.19, 82.21, 82.23A, 82.23B, 82.24, 82.26, 82.27, 82.29A, 82.34, 82.35, 82.36, 82.37, 82.38, 82.41, 82.42, 82.44, 82.45, 82.46, 82.47, 82.48, 82.49, 82.50, 82.52, 82.56, 82.60, 82.61, 82.62, 82.63, 82.64, 82.65, 82.65A, 82.80, 82.98, 83.100, 83.110, including all chapters under Title 84, and all other session law bases to the extent of conflict, under the Revised Code of Washington 1995; prescribing penalties and making an appropriation.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

{+ NEW SECTION. +} Sec. 1. We, duly registered Voters in the State of Washington, do hereby declare the existence of a CATASTROPHIC EMERGENCY, that requires immediate action to protect our Citizens from further loss of our RIGHTS guaranteed by the Constitution of Washington State. Many of these rights are being denied us, through illegal actions of our ELECTED OFFICIALS, resulting in a complete breakdown of the POLITICAL, MORAL, and ECONOMIC STRUCTURES of our entire society.

THEREFORE, exercising the Legislative Powers reserved to ourselves to propose bills and laws to be enacted or rejected at the polls, independent of the Legislature, as set forth in ARTICLE 2. Sec., 1 of the CONSTITUTION OF THE STATE OF WASHINGTON, we do hereby declare that, the intent and purpose of THE 1% FLAT-RATE TRANSACTION TAX ACT, is to establish A UNIFORM, DIRECT TAX ON ALL TAXABLE TRANSACTIONS of individuals and businesses in the State of Washington, as follows:

A. By repealing all RCW Chapters and Sections which grant to each established taxing district the power to levy and collect: property taxes, sales taxes, business and occupation taxes, state gasoline and fuel taxes, hotel and motel taxes, all fees for licenses and permits, including excise and special-purpose taxes, and all other taxes, tolls,

fees, tributes, tallages, gabelles, impost duties, customs, subsidies, aids, supplies, or any collected revenue known by any other name. The People of the State of Washington find that over the years our legislatures and governors have sewn a patchwork quilt of revenue law that does not warm our citizens evenly, nor cover some at all. We want a blanket that shelters all of us equally. It is a fact that our present taxing system is unable to raise the necessary revenues to pay for, even the basic governmental services of public education, health and human services, police and fire protection, or well maintained roads and bridges. Our combined public bonded indebtedness is rising to unmanageable levels; as our State and its cities and counties follow the intricate trails in our revenue code into a mortgaged future.

Shortly before his assassination in 1865, ABRAHAM LINCOLN was quoted as saying: "I fear... the safety of my country. Corporations have been enthroned, an era of corruption in HIGH PLACES will follow, and the MONEY POWER, of the Country will endeavor to prolong its reign by working on the prejudices of the people, until the wealth is aggregated in a few hands and the REPUBLIC IS DESTROYED." No one listened! Then, this 'Money Power' through intrigue and deceit was able to engineer the creation of the despicable FEDERAL INCOME TAX AND THE INFAMOUS I.R.S. Both of these acts were accomplished in 1913, resulting in our present complicated, unjust, loophole infested taxing system and a staggering near SIX TRILLION DOLLAR NATIONAL DEBT, that is increasing by over a BILLION daily!

"UNDER A DEMOCRACY THE PEOPLE WILL GET THE WORST GOVERNMENT THEY ARE WILLING TO TOLERATE and THE BEST GOVERNMENT THEY ARE WILLING TO WORK FOR!" We, The People, have work to do! We will use the INITIATIVE PROCESS to repeal the TAX LAWS the Legislators have burdened us with, and create a simple, just tax, based on the philosophy of ALEXANDER HAMILTON: {+ taxing money as it circulates in the economy +}...{+ A 1% FLAT-RATE TRANSACTION TAX! +}

B. By enacting A NEW CHAPTER UNDER TITLE 84 RCW, granting the State, the Counties, and the Cities the power, through their governing bodies, to levy and collect taxes on all taxable transactions occurring within their established taxing districts. The Revenue Department of the State of Washington shall establish, by general and uniform regulations, the procedures to be followed by each of the taxing districts in the Counties, the Cities, and the State itself, in the levying and the collection of the 1% Flat-Rate Transaction Tax. The Revenue Department shall also arrange for the transfer of the State's portion of the revenue collected in the Counties and the Cities, and the timely deposit of said funds in the Treasury of the State of Washington. The {+ 1% Flat-Rate Transaction Tax +} created by this Act, upholds the Constitutional limitation of 1% of the true and fair value of the property transacted, however, the tax-rate may be lowered, by the Revenue Department, as set forth under Section 8, of this Act.

C. By granting complete AMNESTY to all who have in the years past, violated our State Constitution through evading their responsibility of sharing in the cost of Government. Naturally, they will be paying more, but, what they do pay will be at the same low rate established for everyone. There are trillions of transactions occurring in the marketplace daily, and with everyone participating in the payment of taxes on the transactions in which they are involved, our tax-base will be the broadest possible, with a tax-rate that could eventually be a fraction of one percent! Businesses will prosper, new jobs will be created; public services and institutions will be adequately funded;

and, THE STATE OF WASHINGTON CAN BECOME FINANCIALLY INDEPENDENT OF THE FEDERAL GOVERNMENT AND DICTATORIAL CONTROL IT NOW HAS OVER OUR VERY LIVES!

Our Citizens will 'walk tall' in the knowledge that our DEBT-FREE status will restore our STATE'S RIGHTS, that are guaranteed us in The Constitution of The United States of America! Those fifty-six great patriots, who with a firm reliance on the protection of Divine Providence, mutually pledged to each other their lives, their fortunes, and their sacred honor, as they signed The Declaration of Independence, culminating in our United States Constitution. A NEW HOPE will be generated in the hearts of The People; and the State of Washington will set an example for other states to follow.

{+ NEW +} {+ SECTION. +} Sec. 2. This chapter may be known and cited as {+ The 1% Flat-Rate Transaction +} Tax Act of 1996.

{+ NEW +} {+ SECTION. +} Sec. 3. DEFINITIONS, as used in the Chapter:

(1) "Tax" means any pecuniary burden levied and collected by any taxing authority for public use or purpose excluding fines levied as penalties for offenses.

(2) "Taxable year" means the calendar year January 1st through December 31st.

(3) "Transaction" or "Transacted" means the act of transferring ownership or control of taxable property from one owner to another by whatever means, whether by sale, by loan, by barter or contract, or by receiving (without purchasing) taxable property, tangible or intangible, as a gift.

(4) "Taxable property" means all moneys and the current market-value of things other than money, whether tangible or intangible, subject to ownership or control, at the time of a taxable transaction.

(5) "Barter" means the exchange of taxable property from one owner to another; usually, a trade without the involvement of money.

(6) "Taxpayer" means any individual or business in the State of Washington, that receives money or other taxable property, as a gift, or as the seller of goods or services in any taxable transaction.

(7) "Taxing district" means (a) The State of Washington, (b) the individual Counties, and (c) all incorporated Cities authorized to levy taxes under this Chapter.

(8) "Business" means and includes every individual, partnership, corporation, association, trust, foundation, joint venture, club, company, joint stock company, holding company, public or private institution, and any branch thereof participating in any transaction as a seller of taxable property wherever transacted.

(9) "Branch" means any division, subdivision, agent, representative, facility (either electronic or mechanical), in the State of Washington receiving taxable property for any parent business wherever located.

(10) "Hope" means desire with the expectation of fulfillment.

{+ NEW +} {+ SECTION. +} Sec. 4. Taxing districts shall uniformly lay and collect taxes on all taxable property (tangible or intangible) transacted by each taxpayer within the boundaries of the District. A FLAT-RATE TRANSACTION TAX (not to exceed the Constitutional Limit of 1%) shall be levied against the SELLER of the goods or services involved in each and every transaction, that takes place within each Taxing District. The parents of minor children, and the appointed

legal guardians of individuals incapable of managing their own affairs, shall be responsible for reporting and paying the taxes levied on the transactions in which their charges are involved.

{+ NEW +} {+ SECTION. +} Sec. 5. The limit of the Revenue retained by each of the Taxing Districts shall be one-half (1/2) of the total amount levied against each individual or business involved as the 'seller' of goods or services within the boundaries of their district; the remaining half of the Revenue collected is the State's portion. The aggregate of all tax levies against an individual or business, by the State and any Taxing District, shall not exceed one percent (1%) of the true and fair value of the property transacted, and shall be consistent with the Washington State Constitution, with respect to Port and Utility Districts, relating to levy limitations.

{+ NEW +} {+ SECTION. +} Sec. 6. Each taxpayer participating in a barter transaction receiving taxable property shall be subject to the tax levy based on the market dollar value of the property received from this transaction, since both are 'sellers'.

{+ NEW +} {+ SECTION. +} Sec. 7. Each taxpayer shall, on or before February first of each year, file a certified declaration of the total dollar value received as a seller of taxable property during the preceding calendar year. However, the first declaration after the effective date of this act shall include only the six months of July through December of the previous calendar year.

{+ NEW +} {+ SECTION. +} Sec. 8. A flat rate tax of one percent shall be levied upon the total market value of all taxable property transacted within the boundaries of each taxing district authorized to levy taxes on property (prorated between overlapping taxing districts). This levy rate shall commence on July 1st of the enactment year of this law and continue until all bonded indebtedness has been eliminated throughout the State, after which, the Revenue Department shall use the following method to establish a tax levy rate to be adopted for each succeeding taxing biennium: The total market value of all taxable transactions that took place within each taxing district during the preceding two calendar years, is to be divided into the total amount of the approved biennial budgets of all taxing districts. The percentage result will establish the new tax levy rate for each succeeding two year period. However, the tax rate for ANY BIENNIUM, IS NEVER TO EXCEED THE CONSTITUTIONAL ANNUAL RATE LIMITATION OF 1%, of the market-value of the property transacted.

{+ NEW +} {+ SECTION. +} Sec. 9. All revenue collected in excess of the approved budgets of each taxing district shall be used to reduce any outstanding indebtedness before applying it to lower the forthcoming budget of the district. Prevailing bond commitment repayment schedules, of each taxing district shall prevail over all budget expenditures.

{+ NEW +} {+ SECTION. +} Sec. 10. The combined State and District levies shall be collected from each business on a monthly basis. This requirement may be uniformly modified by the Director of Revenue, at the Director's discretion, forty-eight months after the effective date of this act.

{+ NEW +} {+ SECTION. +} Sec. 11. Upon the written request from

an employee, each employer shall withhold on a monthly basis, the combined state and local taxing districts' levies against all taxable property paid to each/every member of the firm or business, and to each employee, or others receiving money or other taxable property, in exchange for services (tangible or intangible) performed for the employer. All taxes withheld by the employer shall be transmitted to the designated taxing authorities, on a monthly basis, and credited to each taxpayer, as prepaid taxes. An annual statement showing the total amount of prepaid taxes withheld, is to be furnished to each employee, by the employer.

{+ NEW +} {+ SECTION. +} Sec. 12. Each individual taxpayer who is not covered under Section 11, of this act or who has not paid the tax in full, shall pay the tax on or before July 1, of each year for the preceding calendar year, based on the total Market-value of the transactions in which the taxpayer was involved.

{+ NEW +} {+ SECTION. +} Sec. 13. It is unlawful for any person to reveal, disclose, or divulge any information concerning any taxpayer's return to anyone except those charged with the responsibility of processing or handling such information. A violation of this section constitutes a gross misdemeanor.

{+ NEW +} {+ SECTION. +} Sec. 14. It is unlawful for any taxpayer to intentionally fail or refuse to comply with the provisions of this chapter. A violation of this section shall constitute a gross misdemeanor.

{+ NEW +} {+ SECTION. +} Sec. 15. A five percent per month penalty shall be assessed against any taxpayer for failure to pay the levied tax within thirty days after the due date thereof.

{+ NEW +} {+ SECTION. +} Sec. 16. The Department of Revenue shall be responsible for and is hereby authorized to adopt rules and uniform procedures to carry out the requirements of this chapter. The provisions of chapter 82.32 RCW, insofar as applicable and not inconsistent therewith, shall apply to this chapter.

{+ NEW +} {+ SECTION. +} Sec. 17. There is appropriated from the general fund to the Department of Revenue, immediately after the certification of the passage of this act, the sum of one hundred million dollars, or so much thereof as may be necessary, to carry out the provisions of this act.

{+ NEW +} {+ SECTION. +} Sec. 18. In order to assure the sanctity of the PEOPLE'S VOTE on this issue, PAPER BALLOTS, as set forth under RCW 29.01.006 (effective January 1, 1995) and 29.04.210, shall be used statewide, at all precincts including all ABSENTEE BALLOTS.

{+ NEW +} {+ SECTION. +} Sec. 19. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

{+ NEW +} {+ SECTION. +} Sec. 20. This Chapter supersedes those sections or portions of sections, that are in conflict with this Chapter at the time of its official validation.

{+ NEW +} {+ SECTION. +} Sec. 21. The following chapters and their session law bases are each repealed, effective with the enactment and certification of this act: 82.02, 82.03, 82.04, 82.08, 82.12, 82.14, 82.14A, 82.14B, 82.16, 82.18, 82.19, 82.21, 82.23A, 82.23B, 82.24, 82.26, 82.27, 82.29A, 82.34, 82.35, 82.36, 82.37, 82.38, 82.41, 82.42, 82.44, 82.45, 82.46, 82.47, 82.48, 82.49, 82.50, 82.52, 82.56, 82.60, 82.61, 82.62, 82.63, 82.64, 82.65, 82.65A, 82.80, 82.98, 83.100, 83.110, including, all chapters under Title 84, and other chapters and their session law basis, to the extent of conflict, under the Revised Code of Washington 1995; prescribing penalties and making an appropriation.

{+ NEW +} {+ SECTION. +} Sec. 22. SECTIONS 1 THROUGH 22 OF THIS ACT SHALL CONSTITUTE A NEW CHAPTER IN TITLE 84 RCW.

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