



Press Memo

Upcoming WA Supreme Court Hearing on Capital Gains Tax Lawsuit

Quinn v. WA was filed by [millionaires](#) who are attempting to give themselves a tax cut. Quinn v. WA would eliminate more than \$500 million per year in education funding raised from a 7% capital gains tax on extraordinary profits from stock sales exceeding \$250,000 annually. Washington state is the [nation's worst](#) when it comes to tax fairness - those with the most money pay the least (3%) in state taxes, while those with the least money pay the most (17%).

[Parents, teachers, and a school district](#) (intervenors), along with [Eastern Washington small business owners and community leaders](#) (amicus), argued that the \$500 million per year raised by the capital gains tax is critical funding for much needed childcare, special education services, school construction and repairs, and early learning programs. A trial court in Douglas County ruled in favor of the millionaires behind Quinn v. WA on March 1, 2022.

The State of Washington and education intervenors are appealing the lower court's decision, which would take away over \$500 million per year from education and give the super rich a tax cut. The Washington State Supreme Court granted direct review.

Tax law experts, rural business leaders, racial justice groups, taxpayers, and working families [filed four separate amicus briefs](#) with the Washington State Supreme Court in support of the state's capital gains tax.

Oral arguments are scheduled for **9:00AM, January 26, 2023**. The hearing will be broadcast live on TVW. **A post-hearing press conference is scheduled for 12:00PM on the capitol steps in Olympia.**

[Briefs filed by State of Washington, Intervenors, Amici](#)

About Washington's Capital Gains Tax

What is covered: Profits from the sales of stocks and bonds. The **first \$250,000 in annual profits are exempted.**

What is not included: All sales of real estate, retirement accounts like IRAs and pensions, family-owned small businesses, and farms, among other things are exempt from the capital gains tax.

Who will pay: Only 0.2% of Washingtonian taxpayers will see enough profits to pay this tax, and the majority are in King County. [Impacts by county](#)

What it will pay for: The capital gains tax increases funding for the **Education Legacy Trust Account**, which supports child care, pre-schools, special education, and community and technical colleges, as well as K-12 education. Revenue in excess of \$500 million per year goes to the **Common School Construction Account**, which helps with renovating, repairing, and building schools.

Who will benefit: Paying for school construction and repairs is not just good for students, it also creates good-paying jobs in our communities. By paying their share in taxes, the super-rich will be putting that money back into the economy, creating more jobs, and supporting small businesses. Every tax dollar spent [multiplies](#) over and over again, creating \$1.50 - \$3.00 for local economies, jobs and businesses.

Public support: Record numbers of people - 67,000 messages of support from Invest in Washington activists alone - came together from across the state to demand legislators pass the capital gains tax on the super-rich. In poll after poll, voters nationwide want the super-rich to pay their fair share of taxes ([Impact Research](#)), and Washingtonians support the capital gains tax of 7% on extraordinary stock market profits greater than \$250,000 ([King 5/Survey USA](#), [Topos](#), [GBAO](#), [PPP](#), [GBAO](#)).

[More information](#)