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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
IN AND FOR DOUGLAS COUNTY

CHRIS QUINN, *et al.*,

Plaintiffs,

vs.

STATE OF WASHINGTON;
DEPARTMENT OF REVENUE, *et al.*

Defendants.

and

EDMONDS SCHOOL DISTRICT, *et al.*

Intervenors.

APRIL CLAYTON, *et al.*,

Plaintiffs,

vs.

STATE OF WASHINGTON;
DEPARTMENT OF REVENUE, *et al.*

Defendants.

and

EDMONDS SCHOOL DISTRICT, *et al.*

Intervenors.

)
) No. 21-2-00075-09
) No. 21-2-00087-09
)
) MOTION TO FILE AMICI CURIAE BRIEF

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I. INTRODUCTION

Mrs. Mary Ann Warren, Meliesa Tigard, Kristen Cameron, and Dr. Katherine Baird (“Movants”) seek to file an amici curiae brief to provide the Court with important context for the parties’ arguments over the legality of Engrossed Substitute Senate Bill 5096 (“ESSB 5096”), the capital gains tax. Movants have deep roots in Washington and extensive personal and professional experience with Washington’s regressive tax system, the ways that system harms the local economy and small businesses, and the critical importance of the education initiatives the capital gains tax will fund.

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II. IDENTITY OF MOVANTS

A. Mrs. Mary Ann Warren

Mrs. Mary Ann Warren is former President of the Wenatchee Chamber of Commerce, Downtown Wenatchee Rotary member, Board Member and President of the Wenatchee Valley Museum and Cultural Center, volunteer with the Greater Wenatchee Community Foundation, and a retired business owner. Her more than 50 years of extensive community service includes leadership positions with the Council on Aging, Chelan County Red Cross, Mobile Meals, and United Way of Chelan and Douglas Counties, and the first woman board member of the Community Foundation of North Central Washington. She currently serves on the boards of the Lake Chelan Arts Council and the Lake Chelan Historical Society, and is a Lake Chelan Rotary member.

Mrs. Warren was born and raised in Wenatchee, graduated from Wenatchee High School in 1960, and earned a B.S. from the University of Washington. She married her high school sweetheart, Thomas C. Warren, a former Chelan County District Court Judge, and they raised two daughters in Wenatchee. She is a proud grandmother, who cares deeply about the future of children, their parents, and the state of Washington.

1 Mrs. Warren owned and managed two successful family businesses: Brownson's Lumber,
2 and Mission Square. In addition to being the first woman elected President of the Wenatchee
3 Chamber of Commerce, she also served on the boards of the Western Building Material Association,
4 Wenatchee Visitor and Convention Bureau, and Washington State Apple Blossom Festival. Mrs.
5 Warren believes in paying her share in taxes because government spending creates more jobs and
6 more spending at businesses, growing local economies and helping all communities.

7 In addition to her Central Washington business experience, Mrs. Warren is an expert on the
8 importance of investing in early childhood education and high-quality childcare. She has served on
9 the board of Head Start for nearly 35 years and worked for Catholic Family & Child Services for 18
10 years. She was Board President of the Child Care Resource and Referral Network, and helped create
11 Mustard Seed Neighborhood Center, one of Wenatchee's first low-income childcare centers. Mrs.
12 Warren has decades of firsthand experience helping parents and children get the help they need to
13 succeed in school and life, and she has seen how early education and quality childcare can improve
14 the lives of entire families.

15 **B. Meliesa Tigard**

16 Meliesa Tigard is a small business owner in Wenatchee and an education expert. Since 2003
17 she has owned Focal Point Educational Services, a private after-school learning center where more
18 than 1,000 Wenatchee students have received critical help with math and language skills. Ms. Tigard
19 teaches all levels of children, from kindergarten through grade 12, from those with learning
20 disabilities to foster children to honor students. Her business does not receive any direct state
21 funding.

22 Ms. Tigard's great-grandfather was one of Wenatchee's first homesteaders, arriving in 1898
23 to form what is now the 350-acre Tyee Ranch on the Entiat River. A Presidential Scholar, Ms. Tigard
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1 earned a B.A. with High Honors from the University of Montana in 1995. She has worked, lived, and
2 raised two children in Wenatchee because she loves the area's people and strong sense of
3 community. She believes that the capital gains tax is a much-needed improvement in Washington's
4 tax code because "those of us who are doing well are beneficiaries of our public education system,
5 either directly or indirectly."

6 Ms. Tigard's life's work is helping Wenatchee's children succeed academically so that they
7 have the tools to succeed in life. She believes ESSB 5096 will dramatically improve Wenatchee
8 students' access to early education. She has seen that the lack of early education, such as no pre-K,
9 can be extremely detrimental to students because they feel like failures in school, and will quickly
10 learn avoidance strategies, impacting the rest of their lives.

11 Ms. Tigard believes that by investing \$500 million each year in the state's early education,
12 childcare, and other education programs, ESSB 5096 will help Wenatchee children build successes
13 early on, helping them feel more motivated in school. She also believes it will assist Wenatchee
14 parents who cannot afford to work because they cannot find affordable childcare.

15 **C. Kristen Cameron**

16 Mrs. Kristen Cameron is a retired teacher and former corporate recruiter living in Wenatchee.
17 She is a board member of the Wenatchee Confluence Rotary and chair of the club's Local Service
18 Projects Committee where she serves the community by arranging weekend food packages for
19 students who are food insecure, stocking neighborhood essential pantries, arranging bell ringing for
20 the Salvation Army, and purchasing winter clothing and gifts for children under CPS review. She
21 believes that very wealthy Washingtonians have a responsibility to pay back the communities and
22 public systems that helped them succeed so that others may follow.

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1 Mrs. Cameron has a B.S in Business Administration from Central Washington University, a
2 Masters in Education from Antioch University, and an Administrative Credential from Washington
3 State University. She and her husband Ken Heinle, also a retired educator, have lived, worked, and
4 raised a family in Wenatchee for more than 30 years. They love Wenatchee, its community and
5 connections, and want to help others through community service.

6 As a Human Resources professional, Mrs. Cameron worked for Blue Cross and the John
7 Graham Company. During her business career, she witnessed how the childcare shortage directly
8 affects the labor market and economic growth as businesses invest in hiring, training, and then losing
9 employees who cannot find childcare. Three of Mrs. Cameron’s adult nieces have been forced to
10 leave lucrative, rewarding careers because they could not find affordable, quality childcare.

11 Over her 27-year career in public education, Mrs. Cameron taught more than 2,500 Wenatchee
12 students at Pioneer Middle School and Wenatchee High School. She served as President of the
13 Wenatchee Education Association and as co-chair of several district-wide committees, including
14 teacher evaluation, with the Wenatchee School District.. She became a teacher to empower
15 Wenatchee’s young people to positively contribute to their communities. She has seen firsthand how
16 the growing funding gap for schools directly impacts education and health outcomes for students. For
17 example, the Wenatchee School District currently has state funding for just one school nurse to
18 protect the health and learning environments of almost 8,000 students. Mrs. Cameron believes that
19 ESSB 5096’s new investments of millions more into Wenatchee’s childcare, early learning, and
20 education programs will pay off in huge rewards for students and future generations.

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22 Dr. Baird is an international expert in economics and public policy, served as Fulbright
23 Senior Lecturer, Universidad del País Vasco, Bilbao, Spain (2007 - 2008), and has authored more
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1 than three dozen books, peer-reviewed articles, editorials, and other publications including Trapped
2 in Mediocrity: Why Our Schools Aren't World-Class and What We Can Do About It (Rowman &
3 Littlefield Publishers, 2012), and “*Including Private Health Care Costs in Measuring Nations’*
4 *Redistributive Effort,*” *Journal of Income Distribution*, 26(2) (2018). Dr. Katherine Baird earned her
5 Ph.D in Economics from the University of Massachusetts and her M.Sc. in Agricultural Economics
6 from Michigan State University.

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8 what is now Lakewood. She believes that her own success and that of her family, including her two
9 adult children and both of her parents, resulted from excellent education opportunities provided by
10 Washington’s public education and higher education systems.

11 Dr. Baird has dedicated her career to public service as a Professor at the University of
12 Washington Tacoma where she has taught Foundational Economics and Public Policy to an
13 estimated 4,000 students over her 20-year career. She is the recipient of numerous grants, honors,
14 and awards including the UWT Distinguished Community Engagement Award (2020), the
15 Distinguished Teacher of the Year Nomination, University of Washington Tacoma (2002, 2014), and
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17 (1999). She has an interest in the success of her (hopefully) future grandchildren, as well as her
18 students, and many future generations of Washingtonians who will benefit from greater access to
19 childcare, early learning programs, and other education opportunities funded by this capital gains tax.

20 As an economist, Dr. Baird also has an interest in Washington’s economic and workforce
21 health. She writes that “spending cuts take money directly out of people’s hands. When those with
22 less money spend less, the economic effect is multiplied. A laid-off social worker has less income,
23 which via her lower spending, translates into less income elsewhere. It is why in a recent New York
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1 Times op-ed, Kitty Richards and Nobel Prize winning economist Joseph Stiglitz estimate that each
2 dollar in state cuts leads to \$1.50 to \$2.50 less in state income.” “*Opinion: It's time for Olympia to*
3 *impose new taxes on the wealthy,*” Puget Sound Business Journal (2020).

4 **III. RELIEF REQUESTED**

5 Movants respectfully request that the Court consider their amici curiae brief attached hereto,
6 in support of the State of Washington defendants’ and Education Intervenors’ motions for summary
7 judgment.

8 **IV. ARGUMENT**

9 This Court has “the discretion to permit [amicus curiae] participation if it may be helpful to
10 the court.” *Parsons v. DSHS*, 129 Wn. App. 293, 302, 118 P.3d 930, 934 (2005) (noting that “amici
11 often provide broad background by way of reference to studies or articles”). In anticipation of amicus
12 interest in this case, the Court’s October 28, 2021 order established a deadline and page limits for
13 amicus briefs. Movants have complied with the Court’s order.

14 Movants also meet the Rule of Appellate Procedure 10.6 criteria for filing an amicus brief.
15 Movants are familiar with the arguments presented and to be presented by the parties. Furthermore,
16 as active members of their communities, life-long multi-generation Washington residents, and
17 experts in local economic policy and early learning, Movants are intimately familiar with the issues
18 underlying taxation in Washington State.

19 Movants believe that additional background and argument on these issues will be helpful to
20 the Court. Movants’ brief addresses *why* Washington’s regressive tax code is so harmful and *how* the
21 capital gains tax will help fix the problem. This brief also addresses the overwhelming benefits the
22 tax will have on rural taxpayers and agriculture-based economies like Douglas County’s by
23 explaining who will pay the capital gains tax and how the revenue will be spent. This background
24

1 provides important context for evaluating Plaintiffs’ standing and their claim that maintaining the
2 status quo of regressive taxes is somehow equitable. To the contrary, Movants’ brief shows that the
3 upside-down tax code has been harming Washingtonians for generations.

4 **V. CONCLUSION**

5 For the foregoing reasons, the Court should grant Movants leave to file their amicus brief.

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7 Respectfully submitted this 20th day of December 2021.

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I. INTRODUCTION

Washington’s regressive tax code is bad for our economy and bad for future generations. The Legislature passed a capital gains tax to fix our upside-down tax system so those who should pay more, do pay more. This new tax impacts just the exceptionally wealthy, an estimated 0.2% of all Washington households, most of which are in King County. Revenue from the capital gains tax will boost economic growth and recovery from the pandemic recession, and it will greatly expand childcare and early learning programs, which are critical to our state’s immediate economic growth and our long-term future.

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II. IDENTITY AND INTEREST OF AMICI

A. Mrs. Mary Ann Warren

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Mrs. Mary Ann Warren is former President of the Wenatchee Chamber of Commerce, Downtown Wenatchee Rotary member, Board Member and President of the Wenatchee Valley Museum and Cultural Center, volunteer with the Greater Wenatchee Community Foundation, and a retired business owner. Her more than 50 years of extensive community service includes leadership positions with the Council on Aging, Chelan County Red Cross, Mobile Meals, and United Way of Chelan and Douglas Counties, and the Community Foundation of North Central Washington. She currently serves on the boards of the Lake Chelan Arts Council and the Lake Chelan Historical Society, and is a Lake Chelan Rotary member.

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9 board of Head Start for nearly 35 years and worked for Catholic Family & Child Services for 18 years.
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22 state cuts leads to \$1.50 to \$2.50 less in state income.” “*Opinion: It’s time for Olympia to impose new*
23 *taxes on the wealthy,*” Puget Sound Business Journal (2020).

24

1 15% of their incomes in Washington state and local taxes on average, while the wealthiest 10% pays
2 3.4% on average.³

3 These recent studies echo what state economists have been reporting for decades. A 2011
4 report from the State's Office of Financial Management found that the poorest 10% of households in
5 Washington state pay 23.2% of their incomes in state and local taxes on average while the wealthiest
6 10% pay 5.1% on average.⁴ Ten years earlier, a study of Washington's state and local tax code
7 commissioned by the Legislature found that the poorest households pay 15.7% of their incomes in
8 taxes while the wealthiest households pay 4.4% on average.⁵

9 Numerous organizations, ranging from the Retired Public Employees Council of WA to the
10 Arc of Washington State, summarized the current tax and revenue climate in stark and accurate terms
11 when they noted that the ultra-wealthy:

12 can reap extra billions from e-commerce during this crisis while millions of families
13 across Washington suffer. This suffering will only be compounded if lawmakers do
14 not take swift action to raise new, progressive revenue and stave off devastating cuts
15 to essential services and programs. But more so, this is an opportunity to make a
16 historic shift in how our state approaches revenue, a shift to make our tax system
17 equitable and just, formidable to economic downturns, and responsive to a 21st
18 century economy where traditional revenue streams are changing.⁶

19 The Intervenor Education Parties' motion for summary judgment identifies the role *Culliton v.*
20 *Chase*, 174 Wash. 363, 25 P.2d 81 (1933) and *Jensen v. Henneford*, 185 Wash. 209, 53 P.2d 607 (1936)
21 have played in Washington's regressive tax code. While those cases do not directly apply to the capital
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23 ³ State of Washington Dept. of Revenue, *Tax Structure Work Group (TSWG) Meeting*, at 80 (Dec. 4, 2020)
24 https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/Misc/TSWGMeeting2020_1204.pdf.

⁴ State of Washington Office of Financial Management, *The Distribution of Income, Wealth, and Taxes Across
Washington Households*, at 44,
(2011), https://ofm.wa.gov/sites/default/files/public/legacy/reports/income_wealth_report.pdf.

⁵ Washington State Tax Structure Study Committee, *Tax Alternatives for Washington State: A Report to the Legislature*,
Ch. 4, at 23, (Nov. 2002),
https://dor.wa.gov/sites/default/files/legacy/Content/AboutUs/StatisticsAndReports/WAtaxstudy/Chapter_4.pdf.

⁶ WSBPC, *Letter from the Balance Our Tax Code Coalition*, (June 17, 2020),
<https://budgetandpolicy.org/schmudget/washington-lawmakers-invest-in-communities-dont-make-knee-jerk-cuts/>.

1 gains tax because it is an excise tax, their legacy of an extremely damaging regressive tax system
2 provides another reason to disregard them. *Cf. Deggs v. Asbestos Corp. Ltd.*, 186 Wn.2d 716, 729–30,
3 381 P.3d 32 (2016) (overturning precedent in part because it was harmful).

4 **B. The capital gains tax intends to fix an upside-down tax system so those who should pay
5 more do.**

6 While for decades the Washington tax code has relied heavily on sales and use taxes, it is within
7 the province of the Legislature to move away from this regressive structure. See *Wash. Bankers Ass'n*
8 *v. Dep't of Revenue*, 198 Wn.2d 418, 444, 450, ___ P.3d___ (2021). In *Washington Bankers Association*,
9 the state supreme court upheld a tax that “asked the wealthy few to contribute more to funding essential
10 services and programs to the benefit of all Washingtonians,” recognizing that it is legitimate for the
11 Legislature to “raise revenue and address disparities in wealth and income by imposing an additional
12 tax on institutions generating immense profits.” *Id.* Through the capital gains tax, the Legislature
13 intended to take a step toward shifting the burden of funding essential state services off those least able
14 to pay and onto those who can. ESSB 5096 § 1 (“The legislature further recognizes that a tax system
15 that is fair, balanced, and works for everyone is essential to help all Washingtonians grow and thrive.
16 But Washington’s tax system today is the most regressive in the nation.”)

17 **C. Exceptionally wealthy King County residents will pay the most, disproportionately
18 benefiting more rural counties like those in the Northeast Region of Washington.**

19 Only 0.2% of households in Washington state are projected to be subject to the capital gains
20 tax.⁷ Fully 90% of all households subject to the excise tax on capital gains live in Western
21 Washington. Nearly three-fifths (59%) of impacted households live in King County. *Id.* Some 91%
22 of the total revenue generated by the tax will come from residents living in Western Washington. *Id.*
23 Two-thirds (66%) of the total revenues will come from residents living in King County. *Id.*

24 ⁷ See State of Washington Dept. of Revenue, *Capital Gains Return Counts and Net Tax Stratified on County or Region
for Tax Year 2022 - ESSB 5096 as passed the Legislature*, (May 27, 2021).

1 Only 0.7% (58) of total households impacted by the new state excise tax on capital gains live
 2 in the Northeast Region of Washington state, an area that includes Douglas, Ferry, Lincoln, Okanogan,
 3 Pend Oreille, and Stevens counties. *Id.* Only 1% of the total revenue generated by the new state excise
 4 tax on capital gains will come from residents living in the Northeast Region of Washington state. *Id.*
 5 The 58 households living in the Northeast Region who might be subject to new capital gains excise
 6 tax are incredibly wealthy, with incomes averaging nearly \$4 million per year. *Id.*

7 8 9 10 11	Region	Households subject to state capital gains excise tax	Share of total households subject to state capital gains excise tax	Percentage of households in the region that may be subject to capital gains excise tax	Contribution as a percent of total state excise tax revenue	Average income of affected taxpayers
12	Western Washington ⁸	7,333	90%	0.23%	91%	\$1,813,544
13	King County	4,791	59%	0.39%	66%	\$3,790,633
14	Eastern Washington ⁹	838	10%	0.11%	9%	\$2,705,957
15	Northeast Region ¹⁰	58	0.7%	0.08%	1%	\$3,953,703

18 In light of the current data projections, the State probably overestimated when it wrote that less
 19 than five individuals in Douglas County *might* be subject to the tax. The State’s calculation assumed
 20 that taxpayers would be evenly spread throughout the state on a per capita basis, but the above data
 21 shows that taxpayers overwhelmingly reside in Western Washington, especially King County, even on

22 _____
 23 ⁸ Clallam, Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, San Juan, Skagit,
 Skamania, Snohomish, Thurston, Wahkiakum, and Whatcom counties.
 24 ⁹ Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Grant, Kittitas, Klickitat, Lincoln,
 Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman, and Yakima counties.
¹⁰ Douglas, Ferry, Lincoln, Okanogan, Pend Oreille, and Stevens counties.

1 a per capita basis. Indeed, given the statutory exemptions for, among other things, sales of real estate
2 and livestock, it is clear that the tax will be disproportionately funded by exceptionally wealthy
3 households in Western Washington.

4 **D. Increased state investments into jobs and education will boost economic growth and
5 recovery from the pandemic recession.**

6 Once fully implemented the capital gains tax will generate well over \$400 million per year in
7 new money for education, childcare, and early learning. Fiscal notes for ESSB 5096 project new
8 revenue of \$442 million in fiscal year 2023 and rising to \$534 million by fiscal year 2027.¹¹ The
9 Economic Revenue and Forecast Council estimates revenue will average \$471 million per year in fiscal
10 years 2024 and 2025.¹²

11 Increasing state spending by hundreds of millions, especially from taxes that only impact the
12 very wealthiest few, is good for the economy and working families. As Dr. Baird and 19 other
13 economic experts explained:

14 Drawing upon decades of sound economic theory and observation of other economic
15 cycles, we believe the best response to the looming recession is to increase long-term
16 investments in education, health care, infrastructure, and economic security...

17 Ensuring the wealthiest pay for investments is the most productive and effective way
18 to kickstart economic recovery and rebuild the state's economy.¹³

19 This is not just academic theory. Since 2010, Minnesota's economy has performed far better
20 for working families than neighboring Wisconsin's because "Minnesota raised taxes, largely on the
21 wealthy, and used the additional funds to finance public investments in infrastructure, education, and
22 aid to low-income families. The state expanded preschool and access to full-day kindergarten.
23 Governor Dayton's government authorized the unionization of new groups of state-funded workers,

24 ¹¹ State of Washington Office of Financial Management, *Multiple Agency Fiscal Note Summary, 5096 S SB PL*, (June 22,
2021), <https://fnspublic.ofm.wa.gov/FNSPublicSearch/GetPDF?packageID=63363>

¹² <https://erfc.wa.gov/sites/default/files/public/documents/meetings/rev20211119.pdf>

¹³ WSBPC, *supra* note 6.

1 expanded access to paid sick leave, strengthened the state’s unemployment insurance program, and
2 was an early adopter of the Medicaid expansion under the Affordable Care Act.”¹⁴

3 ESSB 5096’s implementation will likewise increase jobs and consumer spending in
4 Washington. Modeling predicted a similar Washington capital gains tax would create nearly 20,000
5 jobs per year and increase both state GDP and consumer spending by over \$1 billion per year.¹⁵ This
6 likely underestimates the economic benefits of ESSB 5096, though, because the modeling assumed
7 all tax revenues would be distributed evenly across the state budget. *Id.* The enacted law dedicates
8 the revenue to early learning, which has an especially large return on investment. *Id.* That is because
9 every dollar spent by the government on services (like childcare and education) multiplies into more
10 economic output. This is especially true where, as here, the incident of the tax is a transaction from
11 one relatively inactive state to another (e.g., a stock investment being liquidated and transferred to a
12 very wealthy person’s bank account).¹⁶ Because the tax diverts some of that money into active
13 circulation in the community – from consumers to businesses to workers and back again – it provides
14 a powerful boost to the economy. *Id.*

18 ¹⁴ David Cooper, *As Wisconsin’s and Minnesota’s lawmakers took divergent paths, so did their economies*, (May 8,
19 2018),
<https://www.epi.org/publication/as-wisconsins-and-minnesotas-lawmakers-took-divergent-paths-so-did-their-economies-since-2010-minnesotas-economy-has-performed-far-better-for-working-families-than-wisconsin/> (internal citations
20 omitted).

¹⁵ WSBPC, *Why now is the time to pass a tax on extraordinary profits*, (Feb. 22, 2021),
https://budgetandpolicy.org/resources-tools/2021/03/2020-02-22_SB5096_Factsheet_FINAL.pdf

¹⁶ See Kitty Richards, *Bolstering State Economies by Raising Progressive Taxes*, (July 2020)
https://rooseveltinstitute.org/wp-content/uploads/2020/07/RI_BolsteringStateEconomies_IssueBrief_072020-1.pdf
22 (“Raising an additional dollar of revenue from a high income person during a recession, using the same conservative mid-
23 range multipliers as above, would only reduce economic output by 35 cents. When that dollar is then spent on
24 government services, it conservatively creates \$1.50 of new economic activity, for a net economic surplus of \$1.15 per
dollar of revenue raised and spent. Using the high end of the CBO’s multiplier estimates, which would be consistent with
recent research (Blanchard and Leigh 2013) (Chodorow-Reich et al. 2012), yields a net multiplier for spending financed
by taxes on the rich of 1.9.”)

1 **E. The capital gains tax will fund childcare and early learning which are critical to**
2 **immediate and long-term economic growth in Douglas County and across the state.**

3 In Douglas County, nearly 14% of childcare providers have closed their doors.¹⁷ As of June
4 2020, Douglas County childcare providers had spaces for just 1,019 children, which is only 38% of
5 the County’s total estimated children (2,684) under 5 years of age. *Id.* Even if more spaces were
6 available, not all parents can afford licensed care; an estimated 15% of all children in Douglas
7 County are living in poverty. *Id.*

8 This trend holds true across the state: “[A]s of mid-January, 13% of providers statewide
9 closed because of the pandemic, a loss of 712 licensed child care programs, according to Child Care
10 Aware, a nonprofit that works with child care providers statewide. It has reduced capacity by 29,290
11 children.”¹⁸

12 Childcare itself has an immediate benefit to local economies: freeing up a workforce to get
13 back to work. Parents need childcare in order to obtain and retain a job. Children need a safe place to
14 be that promotes their healthy development while their parents are working. The childcare industry is
15 an important economic driver within states. In fact, throughout the country, childcare has an
16 economic impact of \$99.3 billion.¹⁹

17 Myriad research and real-world experience has likewise demonstrated the enormous
18 economic benefits of public investments in early learning. Dr. Tim Bartik, a prominent expert in state
19 and local economic development, has shown that every \$10,000 invested today in a child’s early
20 learning will boost their lifetime earnings, and those of their parents, by more than \$120,000.²⁰ And

21 ¹⁷ Childcare Aware of Washington, *Child Care in Douglas County*, (Jan. 2021), <https://childcareawarewa.org/wp-content/uploads/2021/01/2020-County-Data-Douglas.pdf>.

22 ¹⁸ Janelle Retka, *13% of child care providers in Washington state have closed because of pandemic*, Yakima Herald-
23 Republic, (Feb 25, 2021), https://www.yakimaherald.com/news/education/13-of-child-care-providers-in-washington-state-have-closed-because-of-pandemic/article_6c06fb49-da7b-58cb-9b78-57323b8f703c.html)

24 ¹⁹ Committee for Economic Development, *Child Care in State Economies 2019 Update*, (Jan. 31, 2019),
<https://www.ced.org/assets/reports/childcareimpact/181104%20CCSE%20Report%20Jan30.pdf>)

²⁰ Timothy J. Bartik, *From Preschool to Prosperity: The Economic Payoff of Early Childhood Education*,
W.E. Upjohn Institute, (Jan. 1, 2014), https://research.upjohn.org/cgi/viewcontent.cgi?article=1246&context=up_press)

1 he has found that the bulk of those heightened future earnings remain in, and stimulate, the local
2 economy, since relatively few people ultimately move from one state to another. *Id.*

3 Plaintiffs’ conclusory argument to the contrary must be rejected. Without any supporting
4 facts or authority, Plaintiffs ask the Court to ignore the equities relevant to 99.8% of Washingtonians
5 to protect alleged “personal reliance interests” of the “[m]any people [who] have moved to
6 Washington from other places” assuming that they would not have to pay their share of taxes.
7 Plaintiffs’ Motion for Summary Judgment at 25 n. 14. Plaintiffs insinuate that the capital gains tax
8 will cause people to leave the state, but the foregoing research, combined with the very small number
9 of households subject to the tax, shows otherwise.

10 **V. CONCLUSION**

11 The equities strongly support upholding the capital gains tax. The tax will raise well over
12 \$400 million annually from just 0.2% of all Washington households, 90% of which are in Western
13 Washington. The revenue will support schools, childcare, and early learning – spending which has
14 been shown to immediately boost the local economy and sustain long-term economic growth. The
15 tax thus provides an equitable solution for Washington’s regressive tax code with outsized benefits
16 for rural communities in Douglas County and across Eastern Washington.

17
18 Respectfully submitted this 20th day of December 2021.

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1
2 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
3 IN AND FOR DOUGLAS COUNTY
4

5 CHRIS QUINN, *et al.*,)
6 Plaintiffs,) No. 21-2-00075-09
7 vs.) No. 21-2-00087-09
8 STATE OF WASHINGTON;) ORDER GRANTING MOTION TO FILE
9 DEPARTMENT OF REVENUE, *et al.*) AMICI CURIAE BRIEF
10 Defendants.) [PROPOSED]
11 and)
12 EDMONDS SCHOOL DISTRICT, *et al.*)
13 Intervenor.)
14 APRIL CLAYTON, *et al.*,)
15 Plaintiffs,)
16 vs.)
17 STATE OF WASHINGTON;)
18 DEPARTMENT OF REVENUE, *et al.*)
19 Defendants.)
20 and)
21 EDMONDS SCHOOL DISTRICT, *et al.*)
22 Intervenor.)

23 THIS MATTER came before the Court on the Motion to File Amici Curiae Brief filed by
24 Mrs. Mary Ann Warren, Meliesa Tigard, Kristen Cameron, and Dr. Katherine Baird (“Movants”).

FINDINGS OF FACT

1. Mrs. Mary Ann Warren is a lifelong resident of Central Washington, a business
owner, and an active member of the community, having volunteered and served in leadership roles

1 for several community service organizations and business associations. Mrs. Warren’s service
2 includes a focus on childhood education and childcare, including serving on the board of Head Start
3 for nearly 35 years and working for Catholic Family & Child Services for 18 years.

4 2. Meliesa Tigard is a small business owner in Wenatchee and an education expert.
5 Since 2003 she has owned Focal Point Educational Services, a private after-school learning center
6 where more than 1,000 Wenatchee students have received critical help with math and language skills.

7 3. Mrs. Kristen Cameron is a retired teacher and former corporate recruiter who has
8 lived in Wenatchee for over 30 years. Over her 27-year career in public education, Mrs. Cameron
9 taught more than 2,500 Wenatchee students at Pioneer Middle School and Wenatchee High School.
10 She served as President of the Wenatchee Education Association and as co-chair of several district-
11 wide committees. Mrs. Cameron is a board member of the Wenatchee Confluence Rotary and chair
12 of the club’s Local Service Projects Committee which, among other service projects, provides food
13 for students who are food insecure, and winter clothing and gifts for children under CPS review.

14 4. Dr. Katherine Baird is a fourth generation Washingtonian and an international expert
15 in economics and public policy. Dr. Baird earned her Ph.D in Economics from the University of
16 Massachusetts and her M.Sc. in Agricultural Economics from Michigan State University. Over her
17 20-year career as a Professor at the University of Washington Tacoma, Dr. Baird has taught
18 Foundational Economics and Public Policy to an estimated 4,000 students. She is the recipient of
19 numerous grants, honors, and awards including the UWT Distinguished Community Engagement
20 Award (2020), the Distinguished Teacher of the Year Nomination, University of Washington
21 Tacoma (2002, 2014), and the Chair’s Award for Superior Teaching, Department of Economics,
22 University of Massachusetts (1999). Dr. Baird served as Fulbright Senior Lecturer, Universidad del
23
24

1 País Vasco, Bilbao, Spain (2007 - 2008), and has authored more than three dozen books, peer-
2 reviewed articles, editorials, and other publications.

3 5. Because this case involves the legality of Engrossed Substitute Senate Bill 5096
4 (“ESSB 5096”), which directs revenue from a capital gains tax to education, childcare, and early
5 learning, Movants have a strong interest in ESSB 5096 being implemented and providing funding to
6 the schools and students they work and volunteer with.

7 6. Movants have experience with how Washington’s existing tax system has harmed the
8 State’s economy, and how the ESSB 5096 capital gains tax, which exempts sales of livestock and
9 real estate, could be more beneficial to Central and Eastern Washington.

10 7. Movants’ brief may assist the Court in evaluating Plaintiffs’ standing (e.g., whether
11 they have shown that it is likely, as opposed to speculative, that they would be subject to the tax) and
12 the parties’ arguments related to the equities of the case.

13 **CONCLUSIONS OF LAW**

14 1. This Court has the discretion to permit amicus curiae participation if it may be
15 helpful. *Parsons v. DSHS*, 129 Wn. App. 293, 302, 118 P.3d 930, 934 (2005) (noting that “amici
16 often provide broad background by way of reference to studies or articles”).

17 2. Movants’ amicus curiae participation may help the Court in determining whether the
18 case is justiciable, where the equities lie, and how Washington’s regressive tax code has caused harm
19 to Washington residents.

20 **ORDER**

21 Based on the foregoing findings of fact and conclusions of law, the Court ORDERS as
22 follows:

23 1. The Motion to File Amici Curiae Brief is granted.

24

1 2. The Amici Curiae Brief of Mrs. Mary Ann Warren, Meliesa Tigard, Kristen Cameron,
2 and Dr. Katherine Baird appended to the Motion is hereby accepted for filing.

3

4 DATED this ____ day of _____, 2022.

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THE HONORABLE BRIAN C. HUBER

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9 Submitted by:

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