



Initiative Measure 464

TO THE PEOPLE

NOTE: The ballot title and explanatory statement were written by the Attorney General as required by state law. The complete text of Initiative Measure 464 is contained on page 10.

Official Ballot Title:

Shall the values of trade-ins of like kind property be excluded from the selling price for the sales tax computation?

The law as it now exists:

State and local sales and use taxes are based on the selling price of the items involved which includes the value of any trade-in as well as payments in money.

The effect of Initiative No. 464, if approved into law:

If approved, this initiative would exclude from the selling price, for sales and use tax purposes, the value of a trade-in of property of like kind to that which is being purchased. Thus, for example, when an automobile is traded in on the purchase of another automobile, the value of the trade-in automobile would be excluded from the sales and use tax computations.

Statement for

Initiative 464 is a bipartisan effort to correct and modify an existing sales tax inequity. Currently, an allowance for the trade-in value is not subtracted before computing sales tax on a purchase.

Many consumers resent having to pay sales tax on an amount that is *higher* than the net purchase price. To use an example, on the purchase of a \$6,000 car with a \$2,000 trade-in, most people feel it would be reasonable to pay sales tax on the \$4,000 difference, not on the \$6,000 as the current law demands.

Forty states either allow credit for trade-ins when computing sales tax, or have no sales tax at all. Of the ten states that operate the way we do now, *Washington has the highest sales tax rate.*

We believe that giving an allowance for the trade-in value before computing sales tax would stimulate sales and would offset any possible loss of revenue.

Initiative 464 would give a significant break to consumers by reducing the amount on which sales tax is paid by excluding the trade-in value of like-kind property from the amount taxable. "Like-kind" is defined as: car for car, tractor for tractor, appliance for appliance, part for part, etc. Initiative 464 would apply to any purchase whether it be new or used.

This is a tax modification that is fair and long overdue. We urge you to vote YES for Initiative 464.

Rebuttal of Statement against

The latest revenue projection for the next biennium is \$9.9 billion, and current expenses are \$8.1 billion. *Washington can afford I-464!*

This is *not* a tax preference for special interests. I-464 will help *every household in the state*, even do-it-yourselfers who repair their own cars. It is *not* limited to vehicles and luxury items.

Consumers already pay sales tax once on a trade. *Paying again is a double tax.*

Vote YES I-464.

For additional information, call (206) 575-1146.

Voters Pamphlet Statement Prepared by:

AL BAUER, State Senator; EUGENE PRINCE, State Representative; PAUL ZELINSKY, State Representative.

Advisory Committee: GLYN CHANDLER, State Representative; H. A. (BARNEY) GOLTZ, State Senator; GARY NELSON, State Representative; IRV NEWHOUSE, State Senator; LOIS STRATTON, State Representative.

Statement against

TAX LOOPHOLE FOR THE BIGGEST SPENDERS

This is another big tax loophole giving the most benefit to the biggest spender. The largest exemption will go to the guy who buys a luxury car and trades in frequently. The least goes to the buyer of a lower priced car who holds it longer than the present average of seven years.

HELP FOR JAPAN AND DETROIT?

This initiative is proposed in the name of economic development, principally to stimulate automobile sales. This may help Japan and Detroit, but not Washington. Even Michigan repealed its trade-in exemption this year because the loss far exceeded the gain! And any incentive to buy foreign cars only worsens our trade deficit.

WILL HIGHER EDUCATION BE CUT BY THE \$50 MILLION LOSS?

This initiative will slash state revenues by \$50 million in 1985-87 according to the Department of Revenue. (Local government loses another \$9 million.) The higher education budget is the most vulnerable to cuts because it is not protected by the Constitution or legal mandates. That could mean reductions for community colleges, University of Washington, Washington State University, and regional universities. Cuts will threaten our newest programs designed to encourage high technology training and jobs.

WILL THIS LOOPHOLE RESULT IN HIGHER SALES AND B & O TAXES?

The past record is clear. Tax preferences for special interests forced big increases in sales and business and occupation

taxes during the recent recession. The damage to our economy of high rates and narrowing tax base is nationally recognized, and even featured in *The Wall Street Journal*. It could get even worse—if the Legislature raises taxes to avoid the \$50 million cuts.

Rebuttal of Statement for

It isn't "fair" — and it doesn't make sense — to give the biggest tax break to the person who can afford to trade in last year's luxury car, or yacht, for this year's model, while keeping the same high sales tax on necessities like children's shoes and school supplies.

Voters Pamphlet Statement Prepared by:

HELEN SOMMERS, State Representative; A.N. "BUD" SHINPOCH, State Senator; DENNIS BRADDOCK, State Representative.

Advisory Committee: GLENN PASCALL, Former Director, Department of Revenue; MARY ELLEN MCCAFFREE, Former Director, Department of Revenue; GEORGE KINNEAR, Former Director, Department of Revenue; MARVIN WILLIAMS, President, Washington State Labor Council.



COMPLETE TEXT OF Initiative Measure 456

AN ACT Relating to state government; and creating new sections.
BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. The people of the state of Washington declare that an emergency exists in the management of salmon and steelhead trout resources such that both are in great peril. An immediate resolution of this crisis is essential to perpetuating and enhancing these resources.

NEW SECTION. Sec. 2. The people of the state of Washington petition the United States Congress to immediately make the steelhead trout a national game fish protected under the Black Bass Act.

NEW SECTION. Sec. 3. The people of the state of Washington declare that conservation, enhancement, and proper utilization of the state's natural resources, including but not limited to lands, waters, timber, fish, and game are responsibilities of the state of Washington and shall remain within the express domain of the state of Washington.

While fully respecting private property rights, all resources in the state's domain shall be managed by the state alone such that conservation, enhancement, and proper utilization are the primary considerations. No citizen shall be denied equal access to and use of any resource on the basis of race, sex, origin, cultural heritage, or by and through any treaty based upon the same.

NEW SECTION. Sec. 4. The people of the state of Washington declare that under the Indians Citizens Act of 1924, all Indians became citizens of the United States and subject to the Constitution and laws of the United States and state in which they reside. The people further declare that any special off-reservation legal rights or privileges of Indians established through treaties that are denied to other citizens were terminated by the 1924 enactment, and any denial of rights to any citizen based upon race, sex, origin, cultural heritage, or by and through any treaty based upon the same is unconstitutional.

No rights, privileges, or immunities shall be denied to any citizen upon the basis of race, sex, origin, cultural heritage, or by and through any treaty based upon the same.

NEW SECTION. Sec. 5. The secretary of state shall transmit copies of this act to the president of the United States senate, the speaker of the United States house of representatives, and each member of congress.

NEW SECTION. Sec. 6. If any provision of this act or its application to any person or circumstances is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.



COMPLETE TEXT OF Initiative Measure 464

AN ACT Relating to sales taxation; amending section 82.08.010, chapter 15, Laws of 1961 as last amended by section 1, chapter 55, Laws of 1983 1st ex.sess. and RCW 82.08.010; and creating a new section.

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

NEW SECTION. Sec. 1. The purpose of this initiative is to reduce the amount on which sales tax is paid by excluding the trade-in value of certain property from the amount taxable.

Sec. 2. Section 82.08.010, chapter 15, Laws of 1961 as last amended by section 1, chapter 55, Laws of 1983 1st ex.sess. and RCW 82.08.010 are each amended to read as follows:

For the purposes of this chapter:

(1) "Selling price" means the consideration, whether money, credits, rights, or other property except trade-in property of like kind, expressed in the terms of money paid or delivered by a buyer to a seller ((-a-t-)) without any deduction on account of the cost of tangible property sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expenses whatsoever paid or accrued and without any deduction on account of losses; but shall not include the amount of cash discount actually taken by a buyer; and shall be subject to modification to the extent modification is provided for in RCW 82.08.080.

When tangible personal property is rented or leased under circumstances that the consideration paid does not represent a reasonable rental for the use of the articles so rented or leased, the "selling price" shall be determined as nearly as possible according to the value of such use at the places of use of similar products of like quality and character under such rules as the department of revenue may prescribe;

(2) "Seller" means every person, including the state and its departments and institutions, making sales at retail or retail sales to a buyer or consumer, whether as agent, broker, or principal, except "seller" does not mean the state and its departments and institutions when making sales to the state and its departments and institutions;

(3) "Buyer" and "consumer" include, without limiting the scope hereof, every individual, receiver, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise, municipal corporation, quasi municipal corporation, and also the state, its departments and institutions and all political subdivisions thereof, irrespective of the nature of the activities engaged in or functions performed, and also the United States or any instrumentality thereof;

(4) The meaning attributed in chapter 82.04 RCW to the terms "tax year," "taxable year," "person," "company," "sale," "sale at retail," "retail sale," "sale at wholesale," "wholesale," "business," "engaging in business," "cash discount," "successor," "consumer," "in this state" and "within this state" shall apply equally to the provisions of this chapter.



COMPLETE TEXT OF Initiative Measure 471

AN ACT Relating to abortion; and adding a new section to chapter 74.09 RCW.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:
NEW SECTION. Sec. 1. There is added to chapter 74.09 RCW a new section to read as follows:

Public funds shall not be used by the state of Washington, its agencies, or political subdivisions to pay or otherwise reimburse, either directly or indirectly, any person, agency, or facility for the performance of any induced abortion: PROVIDED, that the state legislature may authorize and appropriate funds for otherwise eligible beneficiaries to be used for those medical services necessary to prevent the death of either a pregnant woman or her unborn child under circumstances where every reasonable effort is made to preserve the life of each.