Written by Michael Tennant on January 4, 2025

# **Oops! Washington State Democrats Accidentally Reveal Plans for Big Tax Hikes**

Washington state Democrats made a big boo-boo just before Christmas: They accidentally revealed to the world their plans for massive tax hikes.

On December 20, Washington Senate Deputy Floor Leader Noel Frame (D-Seattle) emailed her Democratic colleagues a document entitled "2025 Revenue Options" and an accompanying PowerPoint presentation discussing how to sell voters on the proposed tax increases.

Unfortunately for Frame, she also sent it to her Republican colleagues by mistake, after which it quickly became public knowledge.



MCCAIG/iStock/Getty Images Plus Hundred dollar bills with the words "Tax Hikes."

#### **Shocking Stuffer**

Frame's email cheerily asks her fellow senators to "spread that tax policy love around." However, it's "worse than getting a lump of coal in your stocking," quipped conservative podcaster <u>Brandi Kruse</u>.

"I wanted to get the [tax] conversation started early," Frame told the <u>Washington State Standard</u>. But, she added, "Not this early."

As the vice chair of finance on the Senate Ways and Means Committee, Frame said, it is her job to explore new ways to raise revenue since the state is facing a serious budget deficit.

Sending the email to the entire Senate, she explained, was a "very simple error."

It could also be a very costly one for Democrats. Although they dominate every branch of government in the Evergreen State, they still have to placate voters who think they're only going to sock it to the rich.

The leaked documents prove otherwise. Frame's tax proposals proved to be "both radical and a direct contradiction to promises Democrats made during the election" — not to mention "unpopular and, in some cases, unconstitutional," wrote Seattle radio host Jason Rantz.

"These proposals," he observed, "come at a time when the state has seen years of record revenue, underscoring that Democrats in Olympia have a spending problem, not a revenue problem."

#### **Taxing Proposals**

Frame's "2025 Revenue Options" document lists nine taxes Democrats should consider either increasing or imposing.

First, Frame suggests creating a statewide version of Seattle's JumpStart tax, which would impose a 6.2-percent levy on "on the total compensation ... paid to employees making above the Social Security threshold (currently \$168,000)." Employers with annual payrolls of \$8 million or more in Washington would be subject to the tax, although Frame offers an alternate proposal in which all businesses are taxed regardless of the size of their payroll.

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In addition to other business taxes, Frame also has several personal taxes in mind. She wants "a 1% property tax on financial intangible assets exceeding \$50 million," which she refers to as a "wealth tax." She'd like to hike capital-gains, property, and real-estate taxes; define self-storage unit rentals as retail transactions so they can be taxed; and slap an 11-percent tax on firearms and ammunition.

Penned Rantz:

The idea that taxes, that Washington Democrats pretend hyper-target the wealthy, won't impact other taxpayers is ludicrous.

Capital gains and wealth taxes often discourage investment and economic growth, potentially leading to reduced job opportunities and wage stagnation that disproportionately affect middle- and low-income individuals. It also leads the wealthy to host their funds out of state or to move entirely. By moving to Florida, billionaire Amazon founder Jeff Bezos saved an estimated \$1 billion in taxes, according to Forbes.

Businesses impacted by higher taxes almost always pass on the increased burden through higher prices or reduced services, indirectly raising costs for consumers and workers.

#### **Dissing the Villain**

Frame is clearly aware of the criticism that is likely to be leveled at her levies. Thus, she included the PowerPoint presentation giving her fellow Democrats pointers on how to market the proposed taxes.

Frame suggests telling voters the tax code is "outdated" and "upside-down," and therefore needs serious alterations.

"We have to identify the villain and the problem blocking our progress and how we can take action to solve the issue," reads her presentation.

As a Democrat, of course, Frame has the usual villain in mind, writing:

Despite recent reforms, we're still requiring lower- and middle-income Washingtonians to pay far more in taxes than the wealthiest few and some of the biggest corporations in the world.

That is pure bunk, noted Rantz:

Washington's capital gains tax alone generated approximately \$890 million in revenue from around 4,000 wealthy Washingtonians, surpassing initial projections of around \$500 million. The wealthy in Washington contribute considerably more tax dollars than others and disproportionately receive fewer benefits than those who contribute less.

Nevertheless, Frame insists, "We can fund world-class schools, affordable housing, and more by making the wealthy few pay what they owe." That intimates that the rich are somehow skirting the law.

Frame lists a slew of do's and don'ts for communicating her proposals. Say "pay what they owe" rather than "tax the rich" or "pay their fair share." After all, "taxes aren't a punishment." Instead of "investing in X," try "funding, providing, [or] ensuring we have X." "Be specific about the 'villain.'" And above all, "Don't focus on the budget hole." That might tend to pin the blame on politicians rather than the rich.



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#### Party Poopers

Democrats don't appear to be too upset about the leak. They aren't even denying that Frame's tax proposals are under consideration. They're merely "distanc[ing]" themselves "from the content" of the PowerPoint, reported the Washington State Standard.

As for Republicans, state Representative Travis Couture (R-Allyn) posted on X concerning Frame's goof:

Probably the worst email and ideas in state history. Democrats need to take Econ 101 and get a clue, and keep their hands in their own pockets.



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