
HOUSE BILL 2167

State of Washington

69th Legislature

2026 Regular Session

By Representatives Couture, Jacobsen, Chase, Ley, Schmidt, Abbarno, Marshall, Barkis, Barnard, Dye, Rude, McClintock, Graham, Valdez, Schmick, and Manjarrez

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1 AN ACT Relating to keeping the legislature's promises by reducing
2 the sales tax in the event of an income tax or a tax on individual
3 earnings; adding a new section to chapter 82.08 RCW; and creating a
4 new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that Washington
7 is now the fourth most expensive state in the nation to live in and
8 that many residents are struggling to make ends meet under the weight
9 of rising housing, transportation, and everyday living costs.
10 Meaningful tax relief, rather than additional taxation, is necessary
11 to help Washington families remain stable and financially secure.

12 (2) The legislature also finds that ever-increasing taxes imposed
13 at every level of government only makes this affordability crisis
14 worse. Layering new taxes onto already overburdened households and
15 businesses accelerates the cost of living, suppresses economic
16 opportunity, and makes it harder for employers to retain and hire
17 workers. The state already collects more than enough revenue to fund
18 essential services, and that continued revenue growth demonstrates
19 that the problem is not a lack of funding but a lack of responsible
20 fiscal restraint. We have a spending problem, not a revenue problem.

1 (3) The legislature further finds that proposals to impose a
2 broad-based income tax or a tax on individual earnings are deeply
3 misguided and would be economically damaging to Washington state. An
4 income tax or a tax on individual earnings would undermine the
5 state's competitive advantage, drive employers and investment
6 elsewhere, and burden families with an unpredictable and intrusive
7 new tax. Such a tax has consistently been ruled unconstitutional and
8 consistently rejected by voters, reinforcing the idea that it is an
9 inappropriate, unwanted, and unnecessary new tax.

10 (4) Therefore, the legislature intends to reduce the state sales
11 tax to deliver meaningful relief to working families, while
12 attempting to mitigate the harm caused by an income tax or a tax on
13 individual earnings.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08
15 RCW to read as follows:

16 In the event the legislature levies an income tax or a tax on
17 individual earnings, the department of revenue shall reduce the state
18 retail sales and use tax rate established in RCW 82.08.050 a
19 commensurate amount relative to the projected revenue increase to the
20 state from the income tax or the tax on individual earnings.

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