

This Week in State Tax (TWIST)

November 11, 2024



Multistate: Voters Decide Various Tax Measures at Ballot Box

On November 5, voters in eight states considered significant ballot measures related to state and local taxation. The measures included the creation of a dedicated Tax Court, the establishment of new taxes, adoption of increased rates, and other changes, but several far-reaching initiatives were rejected by the voters.

California

- [Santa Cruz](#) voters approved Measure Z, which imposes a \$.02 per ounce tax on the wholesale distribution of sugary drinks and sweeteners. The proceeds of the tax will be used for general government purposes, and it goes into effect on May 1, 2025. The specifics of the proposal are also available in the link above.
- **San Francisco** - [Proposition M](#) was also approved by voters. It will amend several different gross receipts-based taxes, including the general business tax, homelessness tax, overpaid executive tax, and administrative office tax as well as the business registration fee. The amendments have varying effective dates in 2025 and 2026.

Colorado - [Proposition KK](#) was approved by voters and will impose a 6.5 percent excise tax on firearm and ammunition sales by manufacturers, dealers, retailers, and vendors effective April 1, 2025.

Georgia - Voters approved Amendment 2. The amendment creates the Georgia Tax Court as part of the judicial system. The Tax Court will have statewide jurisdiction, concurrent with the state business court and superior courts. The most notable change is that appeals from the Tax Court will be directly with the state Court of Appeals. Appeals of decisions from the current Tax Tribunal (an executive branch agency) are to the state superior court system.

Illinois - A majority of voters expressed support for [Illinois's Income Tax Advisory Question](#), a non-binding measure which asked voters if the state constitution should be amended to create an additional 3 percent tax on income exceeding \$1 million in order to generate new revenue for property tax relief.

Nevada - [Question 5](#) was approved by voters and will create a sales and use tax exemption for child and adult diapers commencing on January 1, 2025. The state constitution requires voter approval of sales and use tax exemptions.

North Dakota - [Initiated Measure 4](#) was rejected by the voters. It would have prohibited the state and its political subdivisions from imposing any tax based on the assessed value of real and personal property except as needed for the payment of bonded indebtedness.

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Oregon - [Measure 118](#) was rejected by the voters. It would have revamped the corporate minimum tax and imposed a minimum tax of 3 percent on corporations with Oregon sales exceeding \$25 million applicable to tax years beginning on or January 1, 2025. Proceeds from the increased tax would have been used to provide annual rebates to Oregon residents.

South Dakota - South Dakota voters rejected [Measure 28](#) which would have created a state sales and use tax exemption for "anything sold for human consumption," except alcoholic beverages and prepared food. The exemption would not have been applicable to municipal taxes.

Washington - [Initiative 2109](#) was rejected by voters. It would have repealed the capital gains tax that was passed by the state legislature in 2021 and was first due on April 18, 2023. The tax excludes gains on real estate and applies only to gains in excess of about \$270,000 per year.

Wyoming - [Amendment A](#) was approved by voters. The Amendment adds residential real property as a separate class of property and permits the legislature to create a subclass for owner-occupied primary residences that may be assessed at a different rate than other residential property. Currently, all non-mineral and non-industrial property is assessed at the same rate, and this will allow the legislature to provide a preferential assessment rate for owner-occupied residential property.

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