



This Week in State Tax (TWIST)

May 11, 2026



Washington: State Supreme Court holds tax on high income taxpayers not subject to referendum

In response to Washington State's enactment of what is commonly called the "millionaire's tax", a state resident petitioned the Washington Supreme Court to require the Washington Secretary of State to process the petition and provide for a voter referendum on the tax at the November 2026 election. [For a discussion of the tax, see [our TWIST of March 23, 2026](#).]

On May 4, the Washington Supreme Court [denied the petition](#) on the grounds that the bill contains a clause which states that the "tax imposed in this act is necessary for the support of the state government and its existing public institutions." Although the Washington constitution provides a referendum power to allow the people to assert their will over the legislature, laws that are necessary for the support of the state government and its existing public institutions are excepted from this power, and a legislative declaration that a bill is subject to this exception is afforded great weight. Since the bill would undisputedly generate revenue for the state's existing institutions, the court held that the bill was within the purview of the "support of state government" exception and not subject to referendum. The court made clear the constitutionality of the tax was not before it.

The sponsor of the petition has announced an intent to pursue an initiative petition to overturn the tax. An [initiative](#) in Washington requires twice as many signatures (about 310,000) as those for a referendum. Challenges to the constitutionality of the tax have also been filed. KPMG will continue to track developments regarding the tax. For additional questions regarding the petition or other Washington tax matters, please contact [Michele Baisler](#).

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