

Washington Ballot Summary: Initiative Measure No. 1634



Election Date: November 6, 2018

Ballot Title (what the voter will see on the ballot):

Initiative Measure No. 1634 concerns taxation of certain items intended for human consumption.

This measure would prohibit new or increased local taxes, fees, or assessments on raw or processed foods or beverages (with exceptions), or ingredients thereof, unless effective by January 15, 2018, or generally applicable.

Should this measure be enacted into law? Yes [] No []

Summary of I-1634: This measure would prohibit new or increased local taxes, fees, or assessments on raw or processed foods, beverages, or their ingredients, intended for human consumption except alcoholic beverages, marijuana products, and tobacco, unless they are generally applicable and meet specified requirements. Collection of local sales and use taxes, and of taxes, fees, and assessments on such raw or processed foods or beverages, or any ingredients thereof, that were in effect January 15, 2018, may continue.

Immediate Effects, if passed: I-1634 would prohibit any local governmental taxes or fees to be placed on groceries, which includes raw or processed foods or beverages, first imposed, increased, or collected after January 15, 2018. I-1634 would not preclude the continued collection of any tax in effect as of January 15, 2018, so it would not repeal Seattle's soda tax.

Fiscal Effects, if passed: There would be no immediate direct fiscal effects, as groceries are exempt from state sales tax, and there have been no local sales taxes added to groceries anywhere in the state since the proposed effective date of this measure. Cities and counties would be prohibited from adding sales tax as a revenue source to grocery items in the future.

Arguments in favor of the measure:

Yes! To Affordable Groceries is leading the campaign in support of this initiative. Supporters argue that groceries are tax exempt at the state level for good policy reason, which is that basic life needs such as food and beverages should not be taxed. Supporters further argue that allowing sales taxes to be added to groceries and beverages by cities and counties places a disproportionate tax burden on the extremely poor, as well as low income families who spend a much larger percentage of their overall income on basic necessities, such as groceries. Supporters also advocate that the impact of increased prices hurts small business owners, as localized application of taxes on specific goods causes customers to shop outside a city's boundaries for those goods. This measure is sponsored by the American Beverage Association and is supported by the Washington Farm Bureau, the Washington Food and Beverage Association, the Korean-American Grocers Association of Washington, and the Joint Council of Teamsters 28.

Arguments against the measure:

The American Heart Association, The Childhood Obesity Prevention Coalition (COPC), and the Anti-Hunger and Nutrition Coalition (AHNC) oppose this initiative. COPC believes that municipalities should maintain their legal authority to impose taxes on sugary drinks to improve the public health. AHNC argues that the measure is misleading because it would not actually address the affordability of food, and would stop local governments from being able to implement innovative strategies to raise significant funds to address access to healthy food.