



# I-1634: Taxation of groceries

**"Keep groceries affordable act of 2018"**

The Washington Secretary of State's Office confirmed that **I-1634** qualified for the 2018 November ballot on August 2, 2018. The initiative text can be found on the Washington Secretary of State's website.

## What would the initiative do?

If approved, the initiative would preempt local governments from assessing a tax on goods for consumption sold in a broad range of businesses, including grocery stores. An example is a tax on soda or candy.

## What local governments would be preempted by the initiative?

**I-1634** uses the definition in RCW 4.96.010, which defines local governments as a county, city, town, special district, municipal corporation, quasi-municipal corporation, any joint municipal utility services authority, any entity created by public agency, or a public hospital.

## What items are not included in the definition of groceries?

Items specific to state regulation including alcohol, tobacco, and marijuana products. Local governments are prevented from taxing these items and instead rely on state shared revenue of the sale of the items in-lieu of local taxation.

## When would the initiative be effective?

If the initiative passes, the effective date of the initiative would be December 6, 2018.

## Is there a grandfather clause?

Local governments with taxes, fees, or an assessment on goods in place prior to January 15, 2018 remain in effect. However, local governments are preempted from adding new items to the locally approved tax. AWC is aware of one city with a tax that will qualify under the grandfather clause, Seattle's tax related to sugary beverages (soda tax).

## What are the impacts of the initiative?

The Office of Financial Management (OFM) fiscal impact statement is available on OFM's website.

## Can local governments take a position on the initiative?

Legislative bodies may take a position on the ballot, but must do so following the requirements of open public meetings and provide opportunity for both sides to present their case.

Local governments cannot spend public resources supporting or opposing the initiative except for actions that are normal and regular conduct. Check the PDC guidelines related to ballot measures on the AWC website for more details.

## More details

AWC has not taken a position for or against this ballot initiative. AWC's role is to provide its members with educational materials that can be shared with elected officials, staff and the community. In addition, please review the PDC's guidelines for elected and appointed officials' participation in ballot proposition activity.

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