




## What is the Capital Gains Tax?

When you make a profit on a sale of a single asset\*, you are expected to pay a 7% tax on any profits **exceeding** \$262,000. This is called the Capital Gains Tax.

For example, if you earn a profit of \$262,001, you will be taxed 7 cents for the \$1 excess.

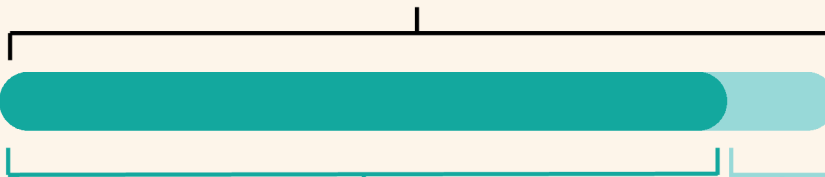
\*Things owned for personal enjoyment or investing are generally considered "assets." However, many are excluded from this tax, including:

-  Real estate and private property
-  Most retirement assets
-  Business expenses or depreciating investments

## How does it work?

Let's say you buy an asset for \$100,000, and then re-sell it for \$370,000.

1. Your total profit would be \$270,000.



2. You will NOT have to pay the Capital Gains tax at all on the first \$262,000.



3. Of the remaining taxable \$8,000, only \$560 would be taken as additional tax for Capital Gains.

## What is Initiative 2109?

Initiative 2109 (or I-2109) is an item that will be on the ballot for all WA voters this November. If voters successfully disapprove this initiative, the Capital Gains Tax will remain in place and continue to provide funding for early learning across the state.

**When voting, remember this initiative aims to REPEAL - not approve - this tax.**



A vote **NO** supports **keeping the tax** in place, retaining funding for WA's early learning system.

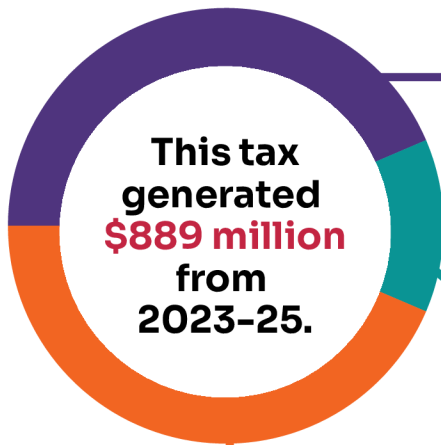
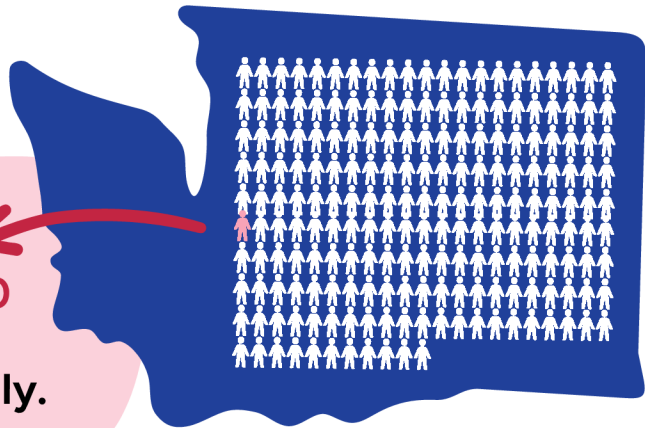


A vote **YES** supports **removing the tax** and defunding statewide early learning programs;

**Vote NO on 1-2109 to protect Washington's early education sector!**

# How does the Capital Gains Tax support early learning?

**Less than half a percent (or 1:200 Washingtonians) pay this tax annually.**



**State legislators allocated this money in the 2023-25 WA budget so that:**

**\$389m (43.8%)**

Funds the building, maintenance, and renovation of public schools.

**\$114m (12.8%)**

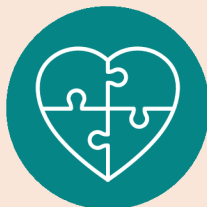
Funds public K-12 schools, facilities, and programs.

**\$386m (43.4%)**

**The remaining amount directly funds early learning programs for both families and providers, such as:**



Working Connections Child Care subsidy



Fair Starts for Kids affordability program



Early intervention mental health support for families



Quality recognition/improvement support for providers



**Take action: Vote “No” on I-2109 to support funding for early learning programs across Washington state!**

