
From: Zalesky, Chuck (ATG) <chuck.zalesky@atg.wa.gov>

Sent: Monday, January 19, 2026 3:53 PM

To: Purcell, Noah Guzzo (ATG) <noah.purcell@atg.wa.gov>; Jensen, Dan (ATG) <dan.jensen@atg.wa.gov>; Gonick, Peter B. (ATG) <peter.gonick@atg.wa.gov>

Subject: RE: millionaire tax draft--Attorney-client privileged

ATTORNEY-CLIENT PRIVILEGE

Hi Noah.

I've only made it through the first 22 pages of the 56-page draft. I need to turn to a Court of Appeals brief and likely will not get through the remainder by COB Tuesday. In any event, attached are some suggested edits for your consideration. Senator Pedersen's email to you seems to invite feedback. Hopefully my extensive edits will not offend.

At a more general level, here are my thoughts and concerns:

- The overall legislative goals, it seems to me, are to (1) have our Supreme Court overturn *Culliton v. Chase*, (2) craft a tax that the voters will support, and (3) craft a tax that is administrable by the Department of Revenue.
- Nothing in the first 22 pages of this draft struck me as creating additional constitutional problems (beyond the *Culliton v. Chase* income = property issue). As an example, the credit for taxes paid to other states seemed to meet due process requirements. Thus, as a general matter we should be able to defend this draft against any "non-Culliton" constitutional challenges.
- However, the draft is complex. That complexity will make it harder for us to explain/summarize the tax in litigation. [The Cap. Gain tax was relatively easy to explain and summarize]. In my view, that makes this draft marginally more difficult to defend. "More difficult" is probably not something we can quantify. But all else being equal, a "lean" tax statute would be slightly better from a litigation risk standpoint.
- If there is room to cut back on this first iteration of the tax (i.e., "Millionaire Tax 1.0") to makes it easier to summarize, that would be helpful. Once the first two goals listed above are met, there will be opportunities to amend the tax to make is more administrable by the DOR and close any loopholes identified by the DOR. In other words,

start with a lean/simplified statute with the idea that it can be improved over time. [Entirely a policy decision by the Leg. Just thought it might be worth mentioning].

Hope this is helpful. Let me know if you have any questions.

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From: Purcell, Noah Guzzo (ATG) <noah.purcell@atg.wa.gov>
Sent: Thursday, January 15, 2026 5:07 PM
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Subject: FW: millionaire tax draft--Attorney-client privileged

Hi all,

Could I bug you to review this by COB next Tuesday and let me know if you have any feedback or questions?

Thanks!

Noah

From: Pedersen, Sen. Jamie <Jamie.Pedersen@leg.wa.gov>
Sent: Thursday, January 15, 2026 4:23 PM
To: Purcell, Noah Guzzo (ATG) <noah.purcell@atg.wa.gov>
Cc: Fitzgibbon, Rep. Joe <Joe.Fitzgibbon@leg.wa.gov>
Subject: millionaire tax draft

[EXTERNAL]

Hi Noah –

Attached please find a first joint House/Senate draft of the mechanical sections of the proposed millionaire tax. We welcome your review and comments. We're hoping to collect feedback by Monday, 1/26 to be able to consider incorporating changes into the introduction version of the bill. Obviously, that will not be the last opportunity for changes. We have not included an intent section yet, but do have your previous suggested language there and anticipate using that as a starting point.