

## **Mayer, Ellie (ATG)**

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**From:** Jensen, Dan (ATG)  
**Sent:** Wednesday, December 10, 2025 5:03 PM  
**To:** Zalesky, Chuck (ATG); Purcell, Noah Guzzo (ATG)  
**Cc:** Gonick, Peter B. (ATG)  
**Subject:** RE: research and drafting request; attorney-client privileged and confidential

Noah,

I agree with Chuck both in regards to the proposed legislation not causing problems with future litigation and with his other suggestions, in particular the marriage penalty provision. Here are a few additional thoughts regarding cleaning up the bill:

- Another oddity with the marriage penalty provision is that under Section 7 the DOR would only receive wage data for individuals earning more than \$1,000,000, making it more difficult to audit married couples who both earn under that threshold but collectively earn more than \$1,000,000.
- Section 11 focuses more on businesses that have sales. Other businesses fall under the last subsection of Section 11, which creates an odd petition process to the DOR. I would advise the Legislature to come up with a specific method for non-sales related businesses rather than creating a process where the taxpayer petitions the DOR for an apportionment method. What happens when the DOR denies the taxpayer's petitioned apportionment method? Is that appealable? I think that could get messy.
- Finally, you don't need a separate substantial underpayment penalty in RCW 82.32.090(11). The one in subsection (2) already applies because all of Chapter 82.32 RCW is incorporated into this bill. Otherwise, you could have taxpayers owing a 30% substantial underpayment penalty with RCW 82.32.090(2) penalties and proposed RCW 82.32.090(11) penalties both applying.

### ***Dan Jensen***

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**From:** Zalesky, Chuck (ATG) <chuck.zalesky@atg.wa.gov>  
**Sent:** Tuesday, December 9, 2025 4:40 PM  
**To:** Purcell, Noah Guzzo (ATG) <noah.purcell@atg.wa.gov>  
**Cc:** Jensen, Dan (ATG) <dan.jensen@atg.wa.gov>; Gonick, Peter B. (ATG) <peter.gonick@atg.wa.gov>  
**Subject:** RE: research and drafting request; attorney-client privileged and confidential

Hi Noah.

I didn't see anything in the proposal that would cause problems with eventual litigation.

I do wonder about the policy for granting married couples the same amount of deduction as single persons. That creates a marriage penalty where married persons receive, in effect, only ½ of the deduction amount two single persons would receive in the aggregate.

I had a few other comments and suggestions that might be worth sharing with Senator Petersen. See attached. But that is entirely your call. None substantively relate to fixes that will make it easier to convince the Supreme Court to overrule Culliton.

Chuck.

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**From:** Purcell, Noah Guzzo (ATG) <[noah.purcell@atg.wa.gov](mailto:noah.purcell@atg.wa.gov)>

**Sent:** Monday, December 8, 2025 12:15 PM

**To:** Zalesky, Chuck (ATG) <[chuck.zalesky@atg.wa.gov](mailto:chuck.zalesky@atg.wa.gov)>; Jensen, Dan (ATG) <[dan.jensen@atg.wa.gov](mailto:dan.jensen@atg.wa.gov)>; Gonick, Peter B. (ATG) <[peter.gonick@atg.wa.gov](mailto:peter.gonick@atg.wa.gov)>

**Subject:** FW: research and drafting request; attorney-client privileged and confidential

Could you all please review and let me know your thoughts? Thanks.

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**From:** Pedersen, Sen. Jamie <[Jamie.Pedersen@leg.wa.gov](mailto:Jamie.Pedersen@leg.wa.gov)>

**Sent:** Saturday, December 6, 2025 7:37 PM

**To:** Purcell, Noah Guzzo (ATG) <[noah.purcell@atg.wa.gov](mailto:noah.purcell@atg.wa.gov)>

**Subject:** FW: research and drafting request; attorney-client privileged and confidential

[EXTERNAL]

Hi Noah –

Here is the draft of the millionaire tax bill. I welcome your thoughts and comments about what will give us the best shot to have Culliton overruled. Let me know if you would like to set up a time to chat about this.

Best wishes, Jamie

Senator Jamie Pedersen  
Majority Leader  
43rd Legislative District  
[jamie.pedersen@leg.wa.gov](mailto:jamie.pedersen@leg.wa.gov)  
*pronouns: he/him*

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