

## Income/Franchise:

### Washington DOR to Hold Virtual Public Meeting Discussing Preliminary Draft Rule on Capital Gains Tax

*Preproposal Statement of Inquiry, Proposed Reg. Section 458-20-XXX, Wash. Dept. of Rev. (6/6/23).* Following the Washington Supreme Court's recent decision upholding the validity of the Washington tax on long-term capital gains earned by some individuals from the sale or exchange of certain capital assets at the rate of 7% beginning January 1, 2022 [see E.S.S.B. 5096 and previously issued Multistate Tax Alert (May 13, 2021) for more details on this state tax, as well as recently issued Multistate Tax Alert (March 27, 2023) for more details on the Washington Supreme Court's decision], the Washington Department of Revenue (Department) announced that it will hold a virtual public meeting on July 12, 2023, as part of a rulemaking process for the tax to provide clarifying information, such as definitions, and additional information on exemptions, deductions, and allocation of gains. In doing so, the Department states that it plans to share a preliminary draft rule before the public meeting. Please contact us with any questions.

**URL:** <https://dor.wa.gov/sites/default/files/2023-06/20-XXXcr1frmdraftjune23.pdf?uid=648117b6d98bd>

**URL:** <https://app.leg.wa.gov/billsummary?BillNumber=5096&Year=2021&Initiative=false>

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/washington-law-imposes-new-excise-tax-on-capital-gains.pdf>

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-multistate-tax-alert-washington-supreme-court-upholds-capital-gains-tax.pdf>

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