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**ROB MCKENNA, PHIL TALMADGE, AND CADF FILE SUIT AGAINST
WASHINGTON'S UNCONSTITUTIONAL INCOME TAX**

Olympia, Washington — The Citizen Action Defense Fund (CADF), Rob McKenna, and Phil Talmadge have filed a lawsuit challenging the newly enacted illegal income tax. The Complaint, filed today in Klickitat County Superior Court, seeks a declaratory judgment invalidating the tax in its entirety.

The lawsuit is brought on behalf of individual taxpayers, farmers, and leading business organizations that represent thousands of small businesses across the state – all of whom have come together to ask the Court to uphold the State Constitution. The challenged law imposes a 9.9% tax on income above \$1,000,000, while taxing income below that threshold at 0% – which is unconstitutional on multiple grounds.

CADF has retained former Washington Attorney General Rob McKenna of Orrick, Herrington, & Sutcliffe LLP to lead the legal challenge, alongside former Washington Supreme Court Justice and Senate Judiciary Chair Phil Talmadge of Talmadge/Fitzpatrick. Both attorneys lend bipartisan support and their considerable credentials to this fight.

“The minority-owned small businesses we represent—are already navigating rising costs and economic uncertainty,” said **Mike Sotelo**, Co-Chair of the Ethnic Chamber of Commerce Coalition, a plaintiff in the lawsuit. “This tax adds another layer of instability that makes it harder for entrepreneurs to grow, hire, and stay in Washington. We’re proud to stand with our members in challenging a law that threatens their future.”

“For nearly a century, Washington courts have been clear: income is property, and property taxes must be uniform and limited,” said **Rob McKenna**. “This law disregards both the plain language of the constitution and decades of consistent Supreme Court precedent. We are confident the courts will strike it down.”

“This legislation is not a close call—it is a direct conflict with settled constitutional law,” said **Phil Talmadge**. “The Washington Supreme Court has repeatedly reaffirmed that graduated income taxes are unconstitutional. This lawsuit ensures those protections are upheld.”

The lawsuit argues that the income tax violates Article VII of the Washington Constitution in two key ways:

- It imposes a non-uniform tax on property, taxing similar income at different rates; and
- It exceeds the constitutional 1% limit on property taxes, with a top rate of 9.9%.

In addition to constitutional concerns, the lawsuit highlights that Washington voters have rejected income tax proposals ten separate times over the past 92 years, underscoring consistent public opposition to such a policy.

“This law puts small business owners in our state directly in the crosshairs,” said **Elizabeth Milito**, Vice President & Executive Director for the Small Business Legal Center of the National Federation of Independent Business, a plaintiff in the lawsuit. “Washington has long been a place where entrepreneurs can thrive—this tax changes that overnight. NFIB is committed to fighting for our members against policies like this new income tax that are both economically harmful and constitutionally unlawful.”

The lawsuit also warns that the tax threatens Washington’s longstanding competitive advantage as a state without a personal income tax, and is already driving businesses, investment, and entrepreneurs out of the state.

Plaintiffs

- Benjamin and Laura Petter – Chelan County and Redmond, WA
- Robert and Brenda Mercer – Benton and Klickitat Counties
- Curtis Nuccitelli – King County
- Ethnic Chamber of Commerce Coalition
- Yakima and Klickitat Farm Association
- National Federation of Independent Business
- Building Industry Association of Washington

About Citizen Action Defense Fund

The Citizen Action Defense Fund is a 501(c)(3) nonprofit organization based in Olympia, WA that is dedicated to protecting constitutional rights, promoting government transparency, and holding public officials accountable through strategic litigation and advocacy.
