



Snohomish County Small Businesses Urge Legislature to Reject State Income Tax

March 6, 2026

To the Honorable Members of the Washington State Legislature,

We write to you today as a group of small business owners in Snohomish County who are dedicated to fostering economic growth and supporting our local communities through job creation and innovation. As you consider the bill to create a state income tax/SB 6346, we felt it was important that we communicate our deep concerns regarding the proposed income tax. While presented as a "millionaires' tax, this measure would disproportionately harm small businesses, S-corps, and LLCs. It also threatens the vitality of Washington's economy.

For many small business owners, income from operations passes directly through to our personal tax returns. This means SB 6346 would effectively impose a steep new tax on business earnings, even when those funds are reinvested in growth, equipment, or employee wages rather than taken as personal profit. In Snohomish County, where industries like manufacturing, retail, and services rely on slim margins, this additional 9.9% burden—among the highest tax rates in the nation—could force us to cut jobs, reduce hours, or delay expansions. S-corps and LLCs, which represent over 85% of small businesses in our state, would be hit hardest, as the \$1 million threshold fails to account for the realities of business cash flow and reinvestment needs.

This tax risks driving businesses out of Washington to more competitive states, exacerbating talent shortages and stagnating growth in our region. Instead of supporting entrepreneurship, SB 6346 could stifle innovation and deter new ventures, ultimately harming the workers and families we employ. We urge you to oppose this bill and prioritize policies that bolster small businesses and entrepreneurs.

Thank you for considering our perspective. We appreciate your service to our community.

Sincerely,

All Phases Construction LLC

Apollo Plumbing

ARCpoint Labs

B&D Contractors LLC

Bickford Motors

Coast Real Estate

Corstone Enterprises LLC

Effinity Tech

Electric Mirror

Electro Tech

European Auto Repair

Facelift Painting

Gordon Cole Investments LLC

Klahaya Animal Hospital

KOZ at Alderwood LLC

KOZ Development LLC

KOZ on Bickford LLC

KOZ on Weaver LLC

KOZ on Wetmore LLC

Lynnwood Honda

MAE Landscaping

McCarthy Team

Perazzo I LLC

Perazzo II LLC

Perazzo III LLC

Perazzo IV LLC

Perazzo V LLC

Rob's Electric

RP Electronics

Skotdal Real Estate

Snohomish Business Park LLC