



MULTISTATE TAX

Washington Supreme Court upholds capital gains tax Tax Alert

Overview

In [Quinn v. State, No. 100769-8](#), the Washington Supreme Court upheld the Washington State [excise tax on long-term capital gains](#) over \$250,000 in a 7-2 decision. The court found the tax to be a valid “excise tax” under Washington law imposed on the activity of selling capital assets. The court found the tax not to be a property tax on capital assets or an income tax on capital gains leading the court to conclude that the tax was either not subject to, or was consistent with, various provisions of the Washington and U. S. constitutions.

This decision upholding the capital gains tax means that for taxpayers subject to this tax, returns for the 2022 tax year are due April 18, 2023, before any applicable extensions. See our previous [Tax Alert](#) as well as the final [regulation](#) addressing the administration of this tax for more information.

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