

NORTHWEST

Microsoft leads blitz to fend off a wealth tax

\$1.7M SPENT | Some of Washington's biggest companies are bankrolling lobbying campaign.

By JIM BRUNNER
Seattle Times political reporter

On a night in mid-December, then-Gov. Jay Inslee called Microsoft President Brad Smith with a heads-up.

The next day, Inslee would be rolling out a budget proposal with higher business taxes and a new "wealth tax" on the state's richest residents.

For Smith, the governor's news came as an unwelcome surprise.

"What are you doing to us?" Smith says he told the governor, recalling the conversation in an interview last week with The Seattle Times.

A wealth tax bill had been kicking around the Capitol for a couple of years, but Inslee had never publicly backed it. Now, in a lame-duck budget plan, the governor was en-

dorsing the levy on his way out the door.

"I was like 'Wait a second. Listen, you don't even have to produce a budget,'" Smith said he told Inslee. "It was like 'Have you talked to anyone?' So, I was concerned."

Since that phone call, Democrats in the Legislature have rolled out budgets plans that also include the wealth tax and a statewide payroll tax on high wages at big companies such as Microsoft and Amazon, similar to one already imposed in Seattle.

Microsoft and other major businesses have responded with a furious multimillion dollar lobbying campaign to kill the taxes, which they argue will lead companies to relocate or slow job growth in Washington.

To help direct the effort, Microsoft dispatched its longtime chief lobbyist, DeLee Shoemaker, to the Washington Roundtable, the state's association of top business executives.

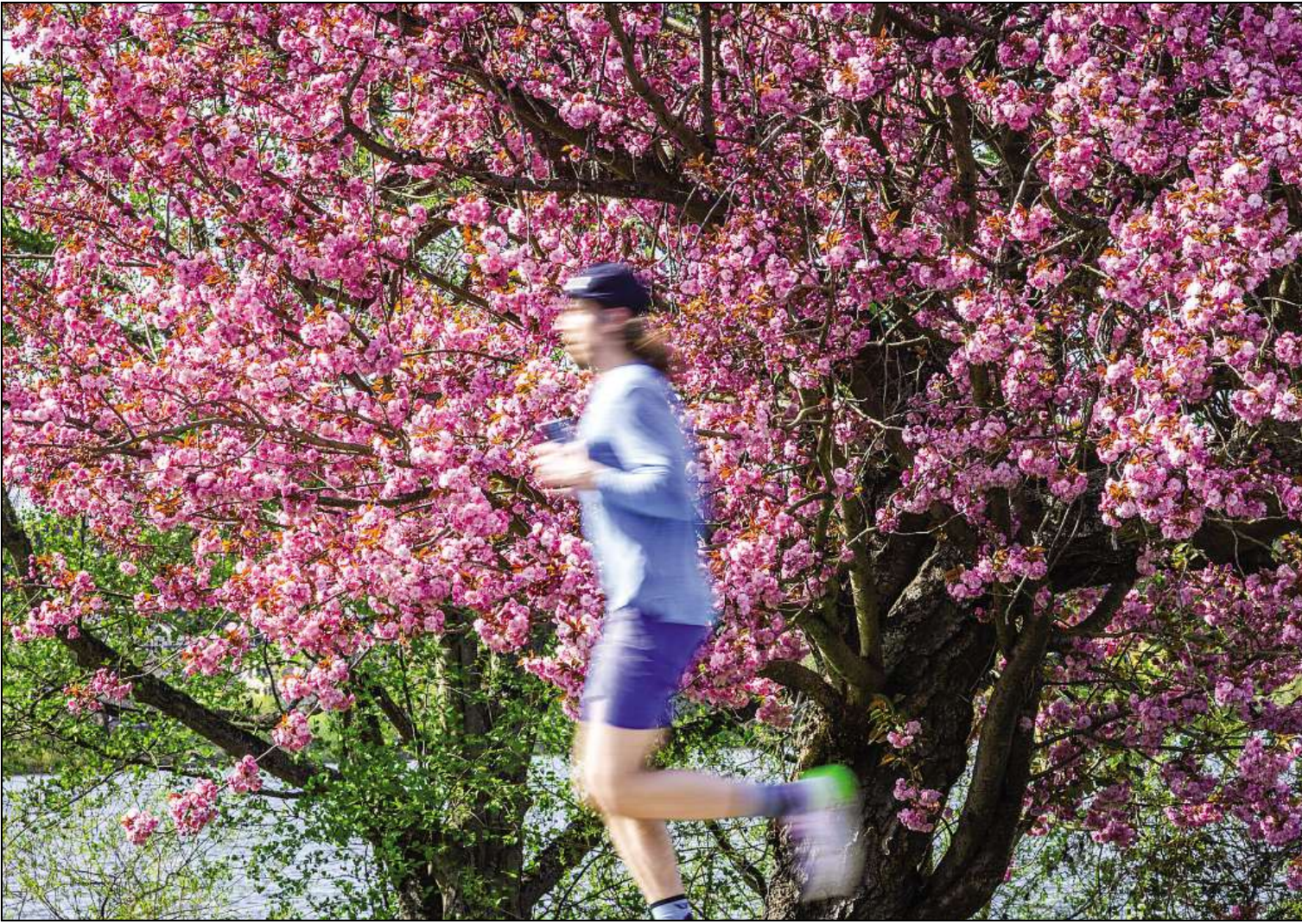
Companies including Microsoft, Costco, Nordstrom and T-Mobile have bankrolled a PAC, People for

an Affordable Washington, which lists Shoemaker as an officer and has spent more than \$1.7 million in two months on ads, polling and hundreds of thousands of text messages to voters.

Microsoft is also signaling it will throw its weight behind an anti-tax ballot initiative, if necessary.

The company has pledged \$1 million toward a newly formed PAC called the Washington Coalition for Responsible Taxes and Spending, according to a filing last week with

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KEN LAMBERT / THE SEATTLE TIMES

A runner darts past colorful blooms at Green Lake on Sunday in Seattle. "If people have things to do outdoors, this is the week to do it," National Weather Service meteorologist Harrison Rademacher said Monday morning.

With tulips in full bloom, Seattle to see first 8 p.m. sunset of 2025

WEATHER | High temperatures could reach the low 70s by the end of the week.

By TAYLOR BLATCHFORD
Seattle Times staff reporter

Put away the raincoats and the extra layers, Seattle: We're in for a delightfully sunny, clear April week.

Temperatures all week will top out in the mid- to high 60s as multiple high-pressure systems move through Western Washington, keeping us warm

and dry.

Monday and Friday were expected to be the warmest days. The high hit 67 degrees Monday in SeaTac. It could reach the low 70s on Friday.

"If people have things to do outdoors, this is the week to do it," National Weather Service meteorologist Harrison Rademacher said Monday.

The average temperature this time of year is 59 degrees, Rademacher said, so we're well above that — but to break any temperature records, we'd have to be closer to the low 80s.

Wednesday will also mark the year's first sunset after 8 p.m. as we inch closer to long summer days.

Up in Skagit Valley, tulips are

in full bloom and the color should stick around through the end of April, according to tulip garden RoozenGarde's website.

Don't put those raincoats too far out of reach yet, though: The upcoming weekend holds our next chance for rain.

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CLIMATE LAB

Trump's call for 'new era' in logging felt in Washington

By LYNDA V. MAPES
Seattle Times environment reporter

The federal government is readying to fire up more chain saws in the Northwest's national forests.

President Donald Trump's executive order last month laid the groundwork for wholesale changes in national forest management. But just when and where more cutting could happen is up in the air.

National forests are among the Northwest's recreational jewels — the public lands that are available for camping and hiking offer more flexibility than national parks for having a dog, a horse, and motorized and mountain bike recreation on some shared-use trails.

These forests also are logged for timber — and the administration wants to up the cut. Here at home, that means timber managers are under a directive to help contribute to a 25% increase in logging volume over the next several years.

In Washington, parts of the Mount Baker-Snoqualmie, Gifford Pinchot, Okanogan-Wenatchee, Colville and Umatilla national forests are targeted for increased logging.

In all, the administration has put more than 100 million acres of national forests across the country up for accelerated logging with a sidestepping of environmental laws to address

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House OKs some benefits for striking workers

By JERRY CORNFIELD
Washington State Standard

Organized labor secured a major win Saturday as Democrats in the state House pushed through legislation to provide striking workers in Washington with unemployment benefits.

But union leaders were not all smiles afterward. The bill was amended on the floor to impose a four-week limit on receiving benefits, eight weeks less than the version approved in the Senate.

Senate Bill 5041 passed the House on a 52-43 vote with seven Democrats joining Republicans in voting against the measure.

The Senate must now decide if it will agree with the revisions or insist on its position. When the bill came up for a vote last month, Senate Democrats narrowly defeated an amendment for a four-week limit before passing the bill 28-21.

New Jersey and New York are the only states with such provisions for striking workers. Oregon lawmakers are debating legislation this year that would offer unemployment benefits to striking workers there.

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Northwest food business in state of uncertainty as it grapples with effect of Trump's tariff talk

By LILLIAN MONGEAU HUGHES
oregonlive.com

Vendors and attendees at the Northwest Food Show, a trade show for restaurant owners, caterers and other food service providers, responded mostly the same way Sunday to questions about how President Donald Trump's various tariffs on foreign goods would affect them: They have no idea.

"It's a whipsaw," said Marc Cohen, the director of sales for San-J, a maker of Asian sauces based in Virginia. "(Tariffs) are here one day, gone the next. It makes me wonder if they'll have staying power."

Many attendees and vendors approached in the long rows of smoothie blenders, chef's knives, cheese, flatware and industrial strength fire extinguishers preferred not to have their names in the news. But they all said the uncertainty of the moment was wearing, especially so soon after COVID-19.

The uncertainty, which is affecting a range of Oregon businesses, is



Brent Fraser, with Sea Watch International, serves clam chowder at his Oregon Food Show booth at the Portland Expo Center on Sunday.

driven by the Trump administration's imposition of broad tariffs and then the rescinding of them, with a promise of bringing them back in a few months. That pause

leaves businesses unsure about long-term outlooks.

The show at the Portland Expo Center has been around for 55 years and draws vendors from across the

country along with buyers and food service folks from Oregon, Washington, Idaho and Northern California, according to the Oregon Restaurant and Lodging Association, which puts on the event.

The idea is to bring suppliers of everything from chef's clothing to a "Blaze Haze Eliminator," meant to remove the smell of marijuana from fabric, together in one place. Attendees hoping to make connections with vendors or track trends are the owners of small coffee shops, regional pizza joints and institutional food services, including those at universities and prisons.

Tariffs, said Jason Brandt, president and CEO of the Oregon Restaurant and Lodging Association, are not good for business.

"We believe restaurants will be among the first hit with the cost escalations of food from the tariffs on imports," Brandt told The Oregonian/OregonLive. "Our industry is still recovering from the pandemic. Any cost escalation is very difficult to absorb."

How much and even whether costs might escalate is unknown. As of Friday, Trump backed down on several proposed tariffs, but left in

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the state Public Disclosure Commission.

The PAC, which also lists Shoemaker as an officer, has already shelled out more than \$180,000 for polling and retainers to top national initiative-campaign consultants.

Steve Mullin, the longtime president of the Washington Roundtable, said the effort is the most coordinated tax pushback by the state's major employers that he's seen in decades.

"It's just the unprecedented scope and scale of these proposed increases that has caused such deep concern and led to a historically unified business community," Mullin said.

Smith said he and the chief executives of T-Mobile and McKinstry, a green construction company, personally met last month with Gov. Bob Ferguson, House Speaker Laurie Jinkins, D-Tacoma, and Senate Majority Leader Jamie Pedersen, D-Seattle, to discuss their tax concerns.

Unions and other supporters of the taxes are waging their own lobbying effort, including protests at the Capitol, to convince lawmakers that tapping the wealthiest people and corporations is preferable to cutting public services and furloughing state workers.

The head of the largest state employee union recently blasted Ferguson as a "rat-

fink" for proposing state worker furloughs while opposing a wealth tax and refusing to meet with the union's representatives.

"It's not surprising that wealthy corporations are trying to make excuses for why they should not have to pay what they truly owe in taxes," said Treasure Mackley, executive director of Invest in Washington Now, a labor-backed group supporting the tax proposals, in a statement.

Working people are "fed up" with a state tax code that is "rigged for the wealthy few but requires regular folks to pay substantially higher percentage of their income in taxes than mega-millionaires and billionaires."

Unions are sitting on a pile of campaign cash they could use if a ballot battle erupts over the proposed taxes. SEIU 775, the influential Democratic-aligned home-health care worker union, has more than \$6 million cash in its ballot fund, PDC reports show.

In the middle of the debate are state lawmakers and Ferguson, who are racing to craft a state budget by the scheduled end of the legislative session April 27.

They're facing a projected shortfall of as much as \$16 billion over the next four years. While state tax collections are still expected to grow substantially, the Legislature in recent years has committed to much more spending, leading to what critics say is a self-



JENNIFER BUCHANAN / THE SEATTLE TIMES

Microsoft President Brad Smith, shown March 17, says he was blindsided during a December call with Jay Inslee.

nflicted deficit.

Ferguson has vowed to not sign any budget that relies on a wealth tax, arguing it would be foolish to count on a tax that would be immediately challenged in court. No U.S. state has imposed such a levy, and some other countries have repealed their similar taxes over concerns about wealthy people moving away.

The proposed wealth tax in Washington would apply to a few thousand people with financial assets, such as stocks and bonds, worth more than \$50 million. Democratic budget leaders estimate such a tax could pull in \$2 billion to \$4 billion a year.

Democratic lawmakers also have proposed a payroll tax modeled on Seattle's Jump-Start tax, which took effect three years ago. Under the state proposal, companies with payrolls of more than \$7 million would pay a 5% tax on wages above the Social

Security wage limit, or about \$176,000.

Both taxes are both strongly opposed by Microsoft, one of the world's most valuable companies, with a market cap of nearly \$3 trillion, headquartered at a massive Redmond campus.

In The Seattle Times interview, Smith emphasized Microsoft is not reflexively anti-tax and has historically had a cooperative relationship with state leaders.

Last year, Smith recalled that Inslee personally asked him to have Microsoft and other businesses "sit on the sidelines" last year during the debate over whether to repeal the state's new capital gains tax on wealthy residents. Microsoft complied and voters overwhelmingly upheld the tax in November.

In addition, Smith pointed out, Microsoft donated \$1 million to the campaign to defend the state's Climate

Commitment Act — a signature Inslee-signed law aimed at cutting greenhouse gas emissions while raising billions of dollars for state projects. Voters also upheld the law last fall.

"We have had this track record and have been criticized by some for being supportive of tax and revenue growth for the state. So, I was very surprised when I heard the very night before Jay's announcement that he was going to call for the wealth tax," Smith said.

Through a spokesperson, Inslee confirmed a conversation with Smith but declined an interview request. When he proposed the wealth tax in December, Inslee called it "a fairly modest" levy on "incomes of extraordinary amounts."

Former Gov. Chris Gregoire has weighed in against the wealth and payroll taxes, saying in an interview they'd hurt the state's economic competitiveness.

"You are going to dry up the startups, the Microsofts and Amazons and the Nordstroms of tomorrow," said Gregoire, who is now CEO of Challenge Seattle, a business-backed alliance of the state's largest employers.

Business leaders have raised the specter of moving tech jobs out of state, pointedly noting in a recent letter to lawmakers that it costs 30% less to employ software engineers in Vancouver B.C. than in the Seattle area.

Smith declined in the interview to say whether Microsoft

would move jobs out of state.

State Sen. Noel Frame, D-Seattle, who has been leading on Senate Democrats' proposals for the wealth tax and other options, said it's past time for the state to grapple with its "archaic" and "uniquely weird" tax system. Washington, unlike most states, does not have an income tax and relies largely on a sales tax.

She said she's been somewhat frustrated with "very loud voices out there" shutting down certain tax proposals.

"Tech is not the only industry in Washington state and we're trying really hard to be responsive to what we are hearing in this moment from all the voices," Frame said.

With the legislative session racing toward a close, Smith said he's hopeful a "common ground" compromise can be found. He said Washington has had a "collaborative political culture" compared with divisions in much of the country, but that's now at risk.

"I do worry that all the moderates in the roadkill caucus have now been run over," Smith said, referring to the nickname for a shrinking core of business-friendly moderate Democrats.

"They're no longer there, and we therefore are at a moment in time where we could risk more polarization."

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< Forests

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a declared emergency of fire risk and domestic lumber supply. Nearly 60% of the country's national forests are subject to the order.

There has long been a push by industry to increase logging in Washington, home to some of the nation's most productive forests and coveted timber species, such as Douglas fir and cedar. A feud over state forest lands resulted in a pause for now on logging older trees on state lands.

Now the Trump administration has called for a "new era" in logging the national forests.

There has been a lot of confusion as the administration proposes actions, then retreats. All eyes are now on national forest regional offices to see just what emerges on federal lands by way of new timber sales.

What did Trump do, exactly?

The executive order issued March 1 and a subsequent secretary's memorandum issued April 3 invoked emergency authorities to increase logging volume by 25% nationally.

To do it, Acting Associate Chief of the Forest Service Christopher French directed managers to "simplify permitting, remove National Environmental Policy Act (NEPA) processes, reduce implementation and contracting burdens ... to ensure that the Forest Service delivers a reliable and consistent supply of timber."

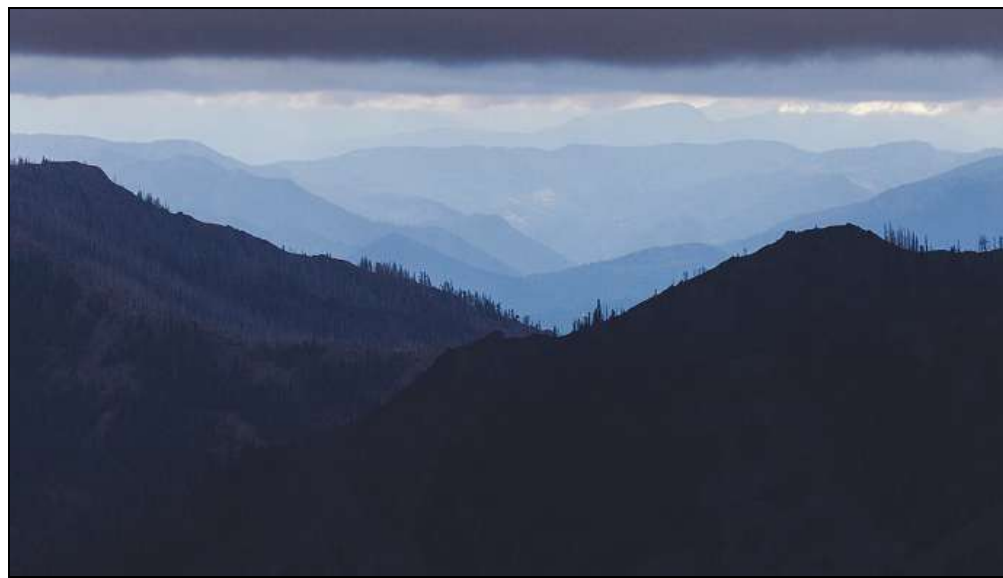
The map produced by the Forest Service as part of a secretary's memorandum implementing Trump's executive order shows where logging is expected to be increased.

Can he do that?

That remains to be seen. "There is no there there," said Kristen Boyles, managing attorney at the Earthjustice Northwest regional office in Seattle. "The one thing they did do is declare this an emergency situation, which frankly is ludicrous."

"There is no emergency ... that is just part of the grift."

There are still national laws on the books — the National Environmental Policy Act, the Endangered Species Act, the Clean Water



THE SEATTLE TIMES

A view from Koppen Mountain in the Okanogan-Wenatchee National Forest in Kittitas County. President Donald Trump wants to increase logging in national forests.

Act and more that create hurdles for a rush to cut, Boyles noted. The president's order states that its execution must be consistent with existing law and land use plans.

Another limiting factor is staffing. The administration is calling for increased activity by the Forest Service even as it has been slashing staff.

What reduces wildfire risk?

These policies also are no

way to reduce fire risk, critics said.

That requires creating more defensible space around homes; doing more prescribed burns and thinning of smaller trees, said Steve Pedery, conservation director at Oregon Wild. "But what you get from those projects is not attractive to the timber mills, what they want is generally bigger trees, and where you find big trees is in more remote places

and in critical habitat for endangered species."

The American Forest Resource Council, a timber industry group based in Portland, along with several Washington timber-rich counties, filed a lawsuit earlier this month to eliminate federal critical habitat protections in forests set aside for the northern spotted owl. The set-asides are eliminating economically valuable timber land for protection of



THE SEATTLE TIMES, 2021

Matt Reidy, district ranger for Tonasket Ranger District, is shown in the Okanogan-Wenatchee National Forest 21.

About the project

Climate Lab is a Seattle Times initiative that explores the effects of climate change in the Pacific Northwest and beyond. The project is funded in part by The Bullitt Foundation, CO2 Foundation, Jim and Birte Falconer, Mike and Becky Hughes, Henry M. Jackson Foundation, University of Washington and Walker Family Foundation, and its fiscal sponsor is the Seattle Foundation.

an animal whose biggest problem is actually displacement by the barred owl, the suit argues.

The U.S. Fish and Wildlife Service has approved a massive kill program to take out the barred owl and reduce pressure on the spotted owl, so they could eventually rebuild populations — if the

habitat is still there to support them. Spotted owls need old-growth forests, home to the food they eat, and the roosting territory they require.

The kill program has been attacked in court by animal welfare groups. Just how and where the barred owl cull will go forward under the new administration is unknown. The agency says implementing the strategy is voluntary, "and will be largely based on available resources and done in specific, collaboratively-selected areas where it will provide maximum cost efficiency and flexibility for land managers."

What does the climate science say?

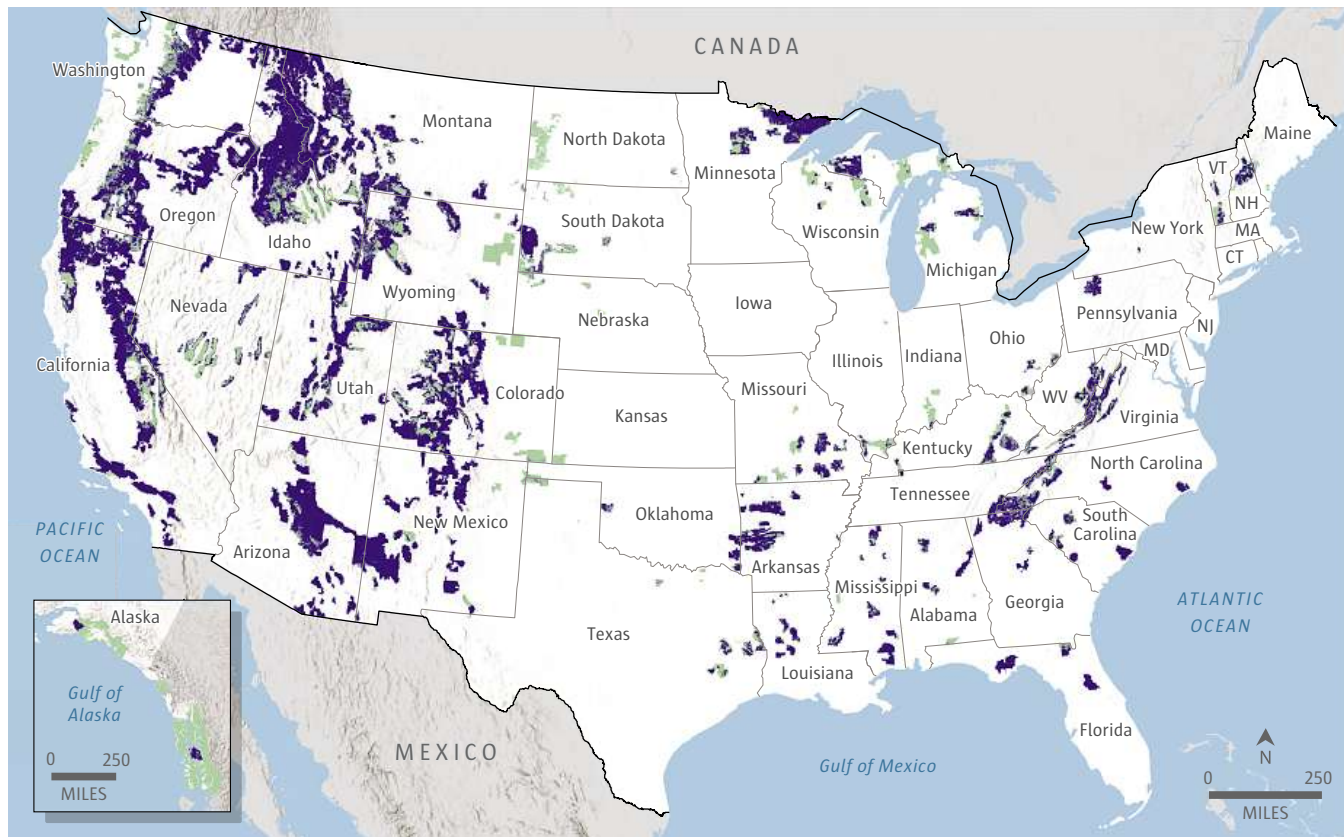
One thing is certain, though: it is the biggest, oldest trees that sequester the most carbon from the atmosphere, and cutting those will only worsen the climate crisis, said Dominick DellaSala, chief scientist at Wild Heritage.

A 2022 peer-reviewed scientific study found preserving the largest trees in older forests across the U.S. — which are overwhelming in national forests — would reduce the equivalent of nearly 10% of U.S. carbon emissions from fossil fuel burning.

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Trump administration targets national forests for logging

Claiming emergencies in timber supply and fire risk, the Trump administration has called for a "new era" in national forest management, bypassing environmental reviews and upping logging volume by 25%. The lands targeted for increased logging include protected areas and old growth forests.



Sources: USDA, U.S. Forest Service. Updated March 28, 2025.

FIONA MARTIN / THE SEATTLE TIMES