Overview

(August 10, 2017, San Francisco) — Steptoe & Johnson LLP’s successful defense of the city of Seattle’s gun sales tax has been upheld by the Washington Supreme Court. Today, the state’s high court affirmed the December 2015 trial court decision in King County Superior Court, and held in an 8-1 decision that the ordinance is constitutionally valid. Steptoe has represented the city of Seattle and Mayor Ed Murray pro bono throughout the course of litigation.

The ordinance, which took effect in January 2016, levies a $25 tax on businesses for each firearm sold at retail within city limits, imposes a two-cent tax for every round of .22 caliber ammunition sold and a five-cent tax for every other round of ammunition sold. The ordinance was unanimously passed by the Seattle City Council and signed by Mayor Murray to provide a sustained local revenue source for gun safety research and violence prevention programs.

On December 22, 2015, King County Superior Court Judge Palmer Robinson ruled that the city has the legal authority to enact the tax, dashing an attempt by the National Rifle Association and several other groups to overturn the law. Those groups and two individual gun purchasers, collectively known as Watson, appealed the ruling, claiming the ordinance was not a tax, but a regulation in violation of state law.

In affirming the lower court’s decision, the state Supreme Court ruled that a charge intended to raise revenue for the public benefit is a tax. Furthermore, the court stated: “While courts should be dubious of regulations masquerading as taxes (and vice versa), in this case Watson offers no convincing evidence that the ordinance has a regulatory purpose or intent. It is a tax.”

Following today’s ruling, Steptoe partner Bill Abrams, who in February of this year argued the case before the Washington Supreme Court in defense of Seattle’s firearms tax, stated: “We are very gratified by the Supreme Court’s clear decision in favor of the city of Seattle. The court affirmed the city’s right to raise revenue, despite the NRA’s attempt to block the city’s tax on gun sales. This is an important victory for the citizens of Seattle, and against the NRA’s attack on a city ordinance that the Supreme Court held, in no uncertain terms, is valid.”

Along with Mr. Abrams, the San Francisco-based Steptoe team includes partner Laurie Edelstein, of counsel Sarah Jackel, and associate David Kwasniewski.

About Steptoe

Steptoe & Johnson LLP is an international law firm widely recognized for vigorous advocacy in complex litigation and arbitration, successful representation of clients before governmental agencies, and creative and practical advice in guiding business transactions. The firm has more than 500 lawyers and other professionals in offices in Beijing, Brussels, Chicago, London, Los Angeles, New York, Phoenix, San Francisco, and Washington. For more information, visit www.steptoe.com.