While we are one of the wealthiest states, funding of the public good hasn't kept up to meet the needs of the 99%.

State spending relative to wealth has declined since the 1980s.

Early learning, pre-K through 12th grade public school, community and technical colleges, world-renowned research universities

Environmental protection, public parks, community centers

Public health, long-term care, fire departments

Washington has the least fair (most regressive) tax code in the country in which the poorest households pay the most relative to their income.

Though the legislature passed policies to help low-income families and raise taxes on the top 1% in 2021, our taxes remain unfair.

Small and low-margin businesses also bear the brunt of unfair taxes as the B&O tax is on gross receipts rather than profits. Businesses also pay regressive sales and property taxes.

While we are one of the wealthiest states, funding of the public good hasn't kept up to meet the needs of the 99%. State spending relative to wealth has declined since the 1980s.
5 progressive reforms we can make now for fairer taxes and stronger communities

1. Tax the wealth of the ultra-wealthy
   Rep. Frame’s HB 1406 Raises ~$2.5 billion/year

2. Reform the state estate tax
   These aren’t exhaustive. They’re intended to illustrate possible alternatives to our current regressive and insufficient system and to spur public discussion.

3. Close the inheritance tax loophole
   High rates of interest penalize low-income people

4. Eliminate Legal Fines and Fees (LFOs)
   Equality is a key part of Washington’s tax code.

5. Reduce targeted property taxes to prevent displacement

It will take holistic reform to make Washington’s tax code progressive, ample, and sustainable.

You have a role to play.

The Legislature’s Tax Structure Work Group has created the scenarios shown below. These aren’t exhaustive. Rather, they are intended to illustrate possible alternatives to our current regressive and insufficient system and to spur public discussion.

**Scenario A**
- Property Tax
  - Change the 1% revenue limitation
  - Allows total property tax collections to go up by more than 1% year-over-year
  - Property taxes are regressive

**Scenario B**
- Wealth Tax + 
  - Property tax
  - Decreases regressive property tax and taxes the intangible wealth (assets like stocks) of billionaires, making this very progressive

**Scenario C**
- Employer compensation tax + 
  - Value added tax on businesses
  - Eliminate B&O tax
  - The VAT and employer compensation tax are more progressive than the B&O tax
  - Multiple revenue sources are needed to replace B&O revenue

**Scenario D**
- Employer compensation tax + 
  - Margins tax on businesses
  - Eliminate B&O tax
  - The margins (i.e., profits) tax and employer compensation tax are more progressive than the B&O tax
  - Multiple revenue sources are needed to replace B&O revenue

**Scenario E**
- Flat rate personal and corporate income tax + 
  - Property tax
  - Sales tax
  - Eliminate B&O tax
  - Replaces and reduces regressive taxes with an income tax
  - More fair system than the status quo for individuals and business

**Scenario F**
- Progressive personal and corporate income tax + 
  - Property tax
  - Sales tax
  - Eliminate B&O tax
  - Replaces and reduces regressive taxes with a progressive tax
  - Progressive income taxes are among the fairest and sustainable over time

**We can’t keep fiddling with the levers of an insufficient and unfair system and expect different results.**

It’s time we reform our tax code and amply fund our public services so all Washington’s families can thrive.

Sign up for a Tax Townhall today