

WASHINGTON STATE
**BUDGET
& POLICY
CENTER**

SOUND RESEARCH.
BOLD SOLUTIONS.

Washington State Budget & Policy Center

Margaret Babayan (she/her)

AAUW Lobby Day, Feb 1, 2021

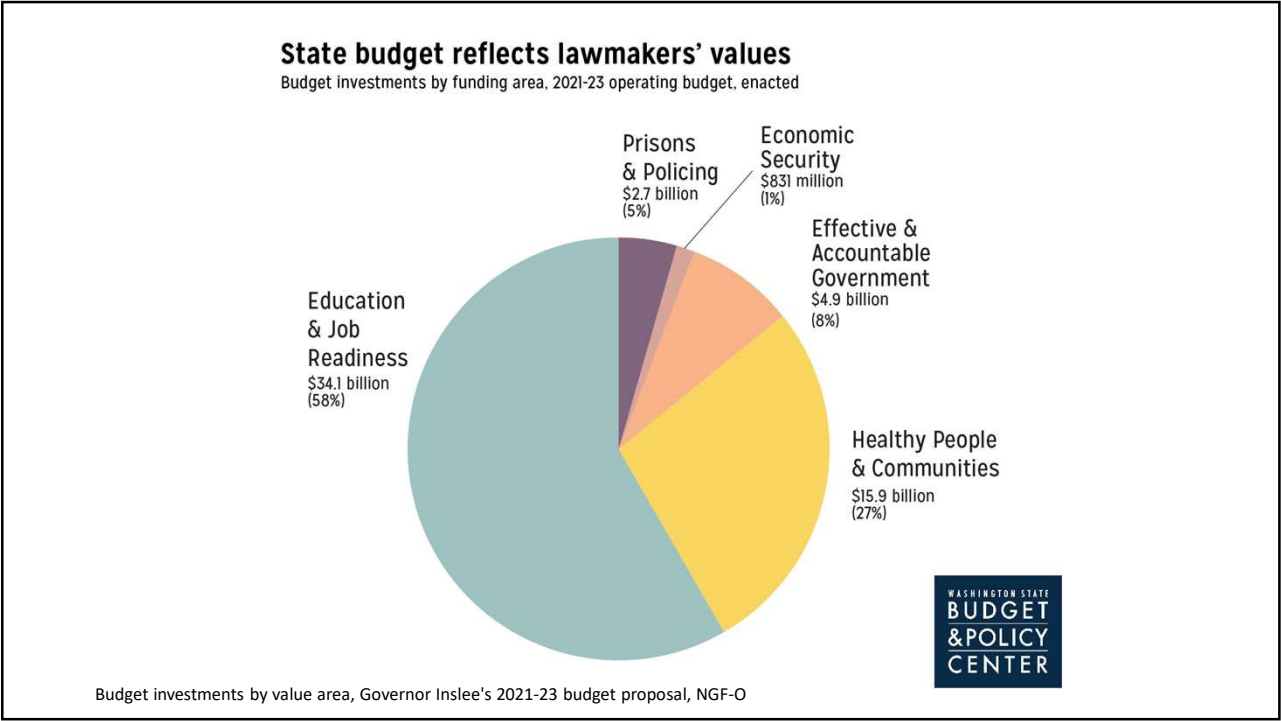
budgetandpolicy.org
Twitter: [@budget_policy](https://twitter.com/budget_policy)
Facebook: [/budgetandpolicy](https://facebook.com/budgetandpolicy)

1

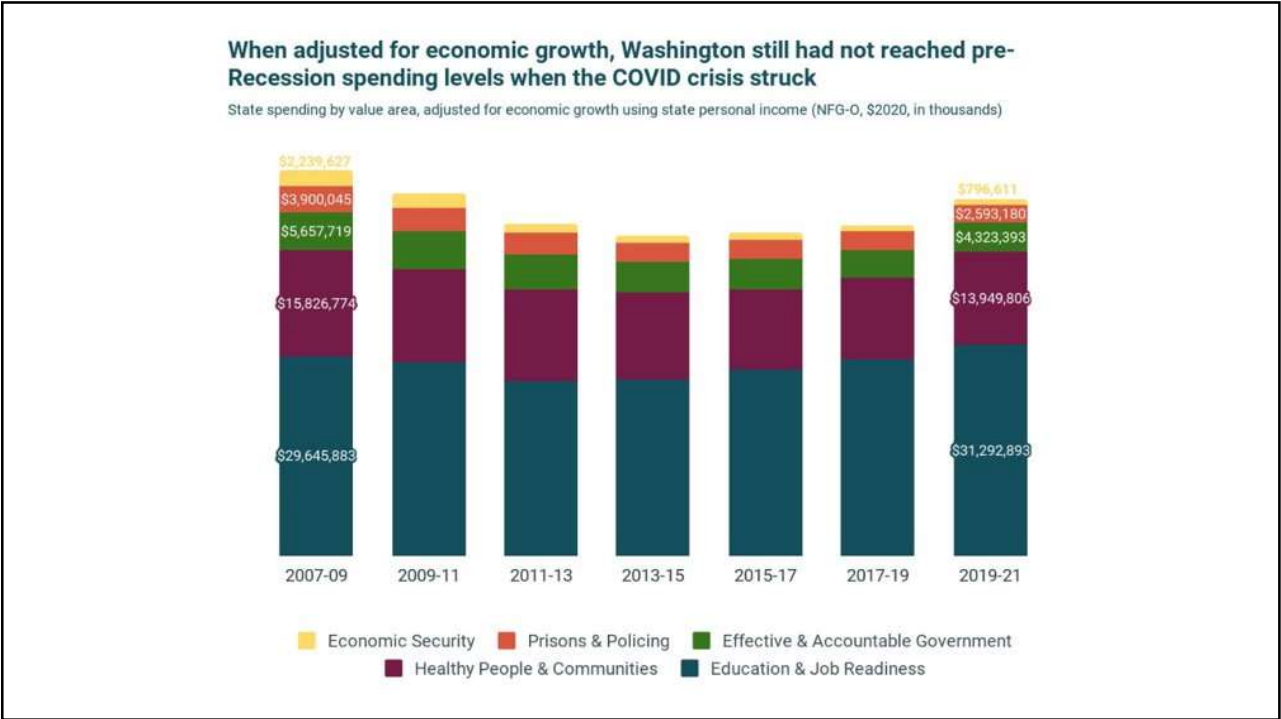
Key points

- We have been chronically underfunding communities for decades.
- Worst-in-the-nation state tax code exacerbates racism, sexism, and other forms of oppression baked into our economy and institutions.
- The *only* responsible option: Invest in the common good by raising taxes on the wealthiest Washingtonians and large corporations.

2



3




4

Better outlook, but still facing shortfalls

- **\$4.5 billion** lower than pre-covid this biennium
- **\$4.3 billion** lower for next biennium

June 2020



- **\$1.7 billion** lower than pre-covid this biennium
- **\$1.7 billion** lower for next biennium


November 2020

New revenue still key to preventing cuts

5

Worst tax code in the nation

Washington

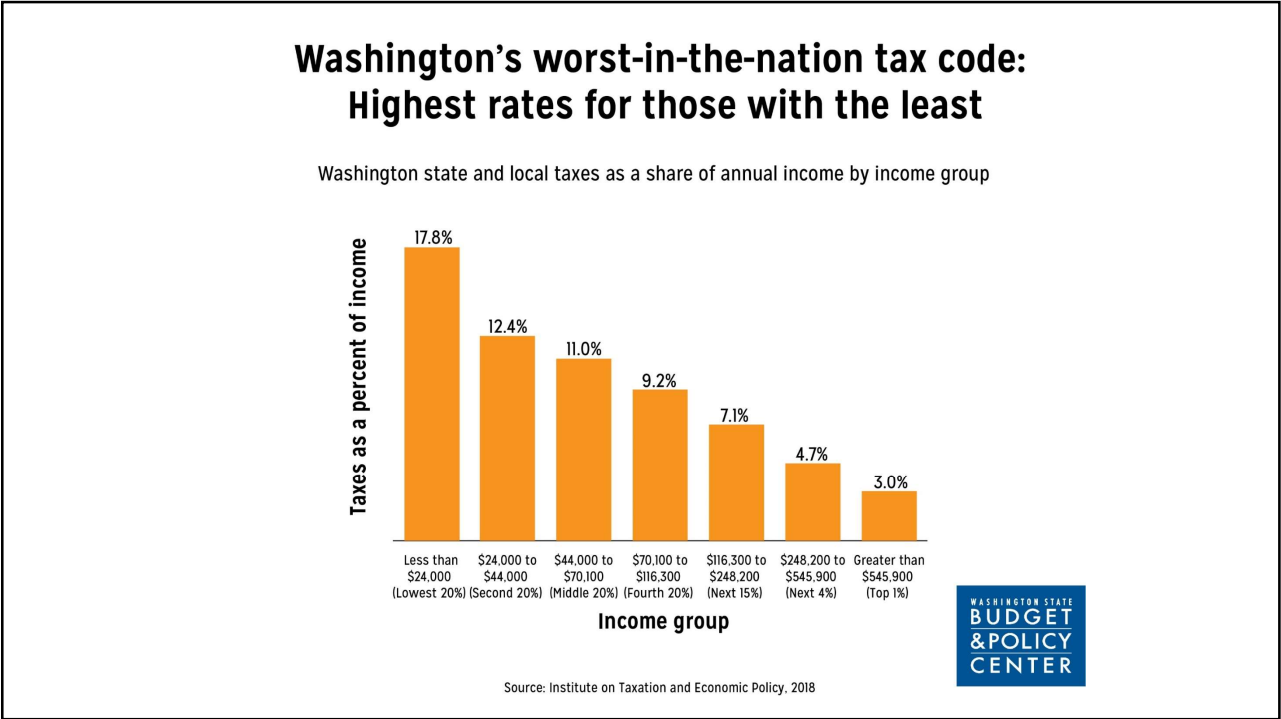


ITEP Tax Inequality Index Ranking

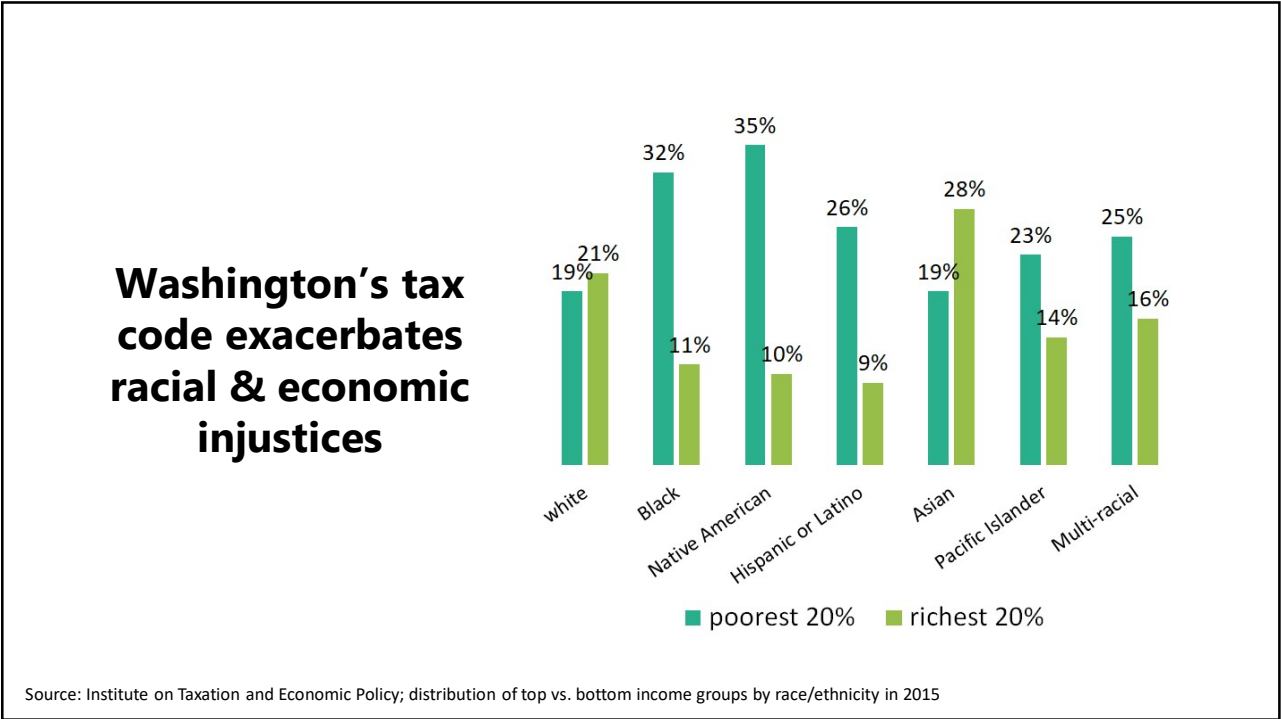
According to ITEP's Tax Inequality Index, Washington has the most unfair state and local tax system in the country.

RANK **1**

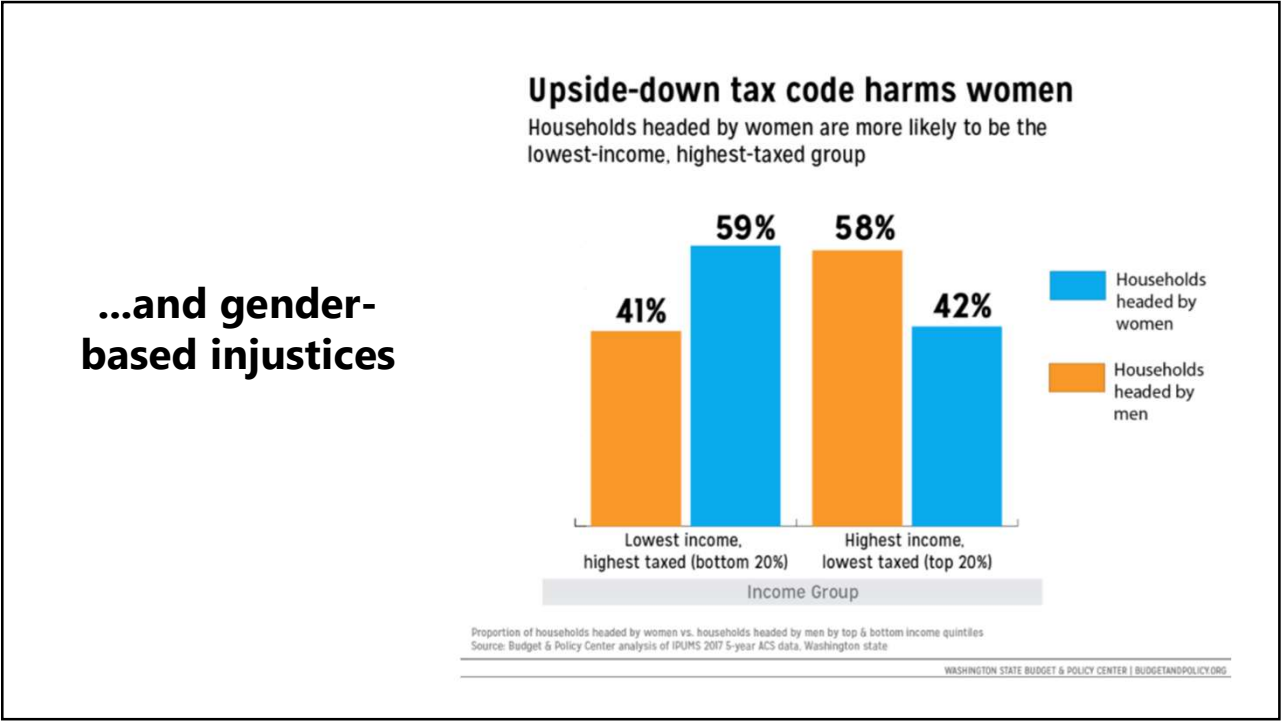
6



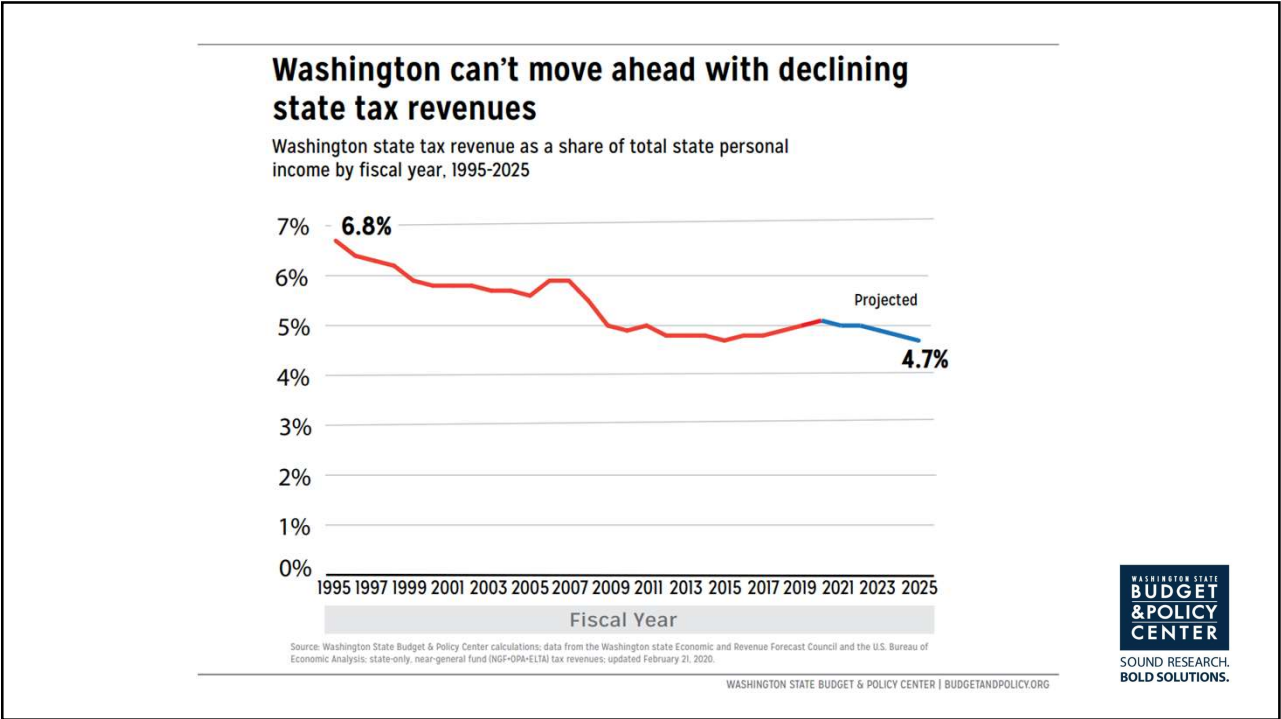
7



8



9



10



11

How do we raise money to pay for investments?

- **Capital gains tax**
- **Corporate high-earners/payroll taxes**
- **Extend the estate tax & reenact an inheritance tax**
- **Raise excise taxes on multi-million-dollar real estate deals**
- **Eliminate other wasteful tax breaks**

12

What we're watching

1.

A CAPITAL GAINS TAX COULD GENERATE

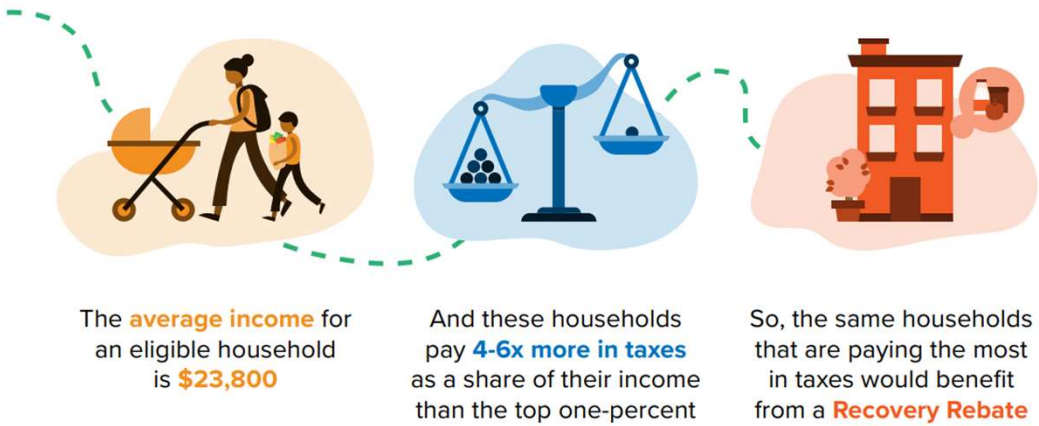
\$1 BILLION

In revenue to spend on Community Investments!

- Capital gains tax (SB 5096)**
- Other bills will be introduced
- Other solutions**
- Payroll taxes
 - Reinststate estate tax
 - Eliminate other wasteful tax breaks

13

Working Families Tax Credit/Recovery Rebate (HB 1297/SB 5387)



14

Working Families Tax Credit/Recovery Rebate (HB 1297/SB 5387)



Targeted support



Faster economic recovery



Healthier communities



Fills gaps

15

Working Families Tax Credit/Recovery Rebate (HB 1297/SB 5387)

The rebate by the numbers

\$500 - \$950
Base Credit

Annual support depending on family size; credit phases down as incomes increase

500,000
Households

Estimated number of households that would benefit, including 33,500 ITIN filers

1 in 4
Washington Kids

Share of children in our state who would receive support (573,000 kids)

Outsized eligibility for BIPOC

Black, Indigenous, and people of color make up 36% of eligible households in comparison to making up 25% of the population

16

How can you support?

- **Feb 2, 1:30pm House Finance Committee**
 - Please sign in PRO for HB 1297!
- **Feb 4, 1:30pm Senate Committee on Human Services, Reentry & Rehabilitation**
 - Please sign in PRO for SB 5387
- **Action Link to Contact Your Lawmaker About the Working Families Tax Credit/Recovery Rebate:** <https://povertyaction.org/advocacy-actions/working-families-tax-credit/>
- **Fact Sheet on the Working Families Tax Credit/Recovery Rebate** https://budgetandpolicy.org/resources-tools/2021/01/RecoveryRebate-WFTC-Factsheet_2021.pdf

17

Questions?



@budget_policy



budgetandpolicy



WA Budget & Policy

My email:

margaretb@budgetandpolicy.org

18