

Washington taxes: People with low incomes are paying more

Washington state places the greatest burden for paying state and local taxes on people with low incomes of any state in the nation.

In fact those who earn under \$29,000 a year pay as much as 17% of what they earn in state and local taxes. Contrast that to what the very wealthiest in our state are paying: those earning over \$373,000 a year or more (the top 1%) pay as little as 4% of their income (see chart at right.)

Why do people with low incomes pay more?

Washington relies heavily on several taxes that economists consider regressive, meaning people with low incomes pay the greatest percentage of their earnings.

In Washington, 53% of the money that the state raises in tax dollars comes from the sales tax. The sales tax is regressive because when a person earning about \$200 a week pays tax on the same item that a person earning \$1,000 a week, what they pay is a lot more compared to their income.

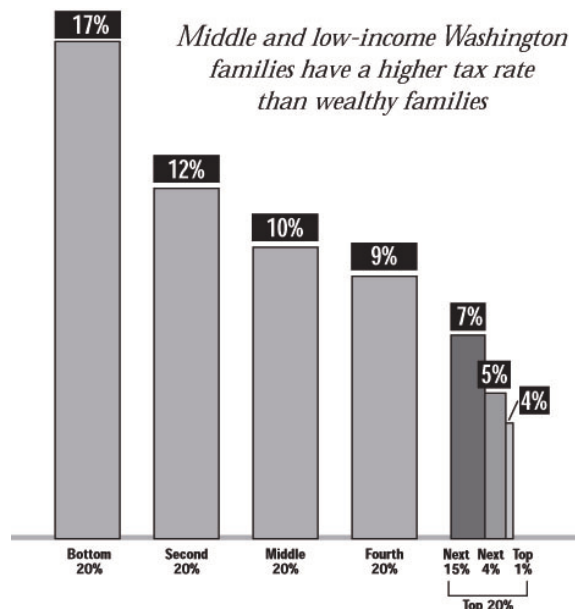
People with lower incomes also spend almost everything they earn in order to meet their basic needs. Most of their money leaves their bank account as soon as they get it.

But Washington's tax system is not only unfair, it is insufficient to meet the state's needs. In fact, over time the amount of money the state collects in tax dollars is not keeping pace with the growth in the economy.

What can we do?

The state of Washington gives away billions of dollars in tax exemptions every biennium. But we have no way of evaluating whether or not these exemptions are having their intended effect, like creating jobs or stimulating economic growth. Washington needs legislation to review all tax exemptions to determine whether or not they are working. We need to close ineffective tax exemptions and make the system more fair for everyone!

Percent of Income Paid in All Washington State and Local Taxes



Key Messages!

What to say!

Problem: Washington's tax structure is unfair. People with little money are paying the most and it's still not enough to keep the state going.

Solution: We need fairer taxes, so that people who are just getting by aren't paying more than their share. We also need to make sure that tax exemptions are helping us all, not just wealthy corporations.

Action: I support paying taxes, but not more than my share. As my representative, will you work for a fairer tax system that serves us all, not just the wealthy?