

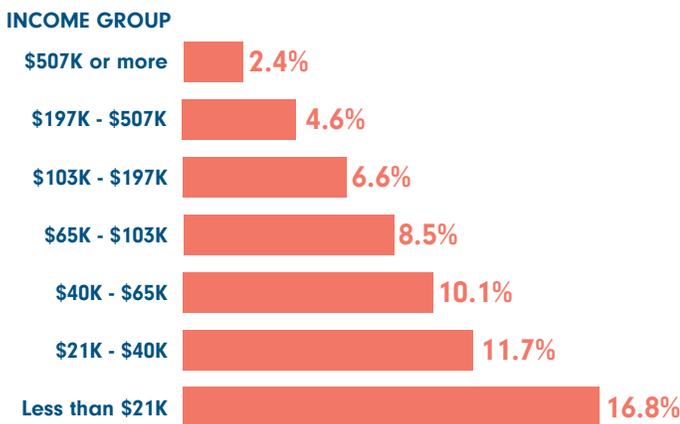
While most Washingtonians agree that everyone has a responsibility to help pay for schools, safe communities, health care, and other investments that create jobs, grow the economy, and benefit all communities, in Washington state, those at the top aren't paying their fair share. That's because our state continues to have the most upside-down state and local tax system of any U.S. state – one in which those with the least pay the most, while those at the top get a special deal.

In our state, low- and middle-income families pay up to seven times more in taxes as a proportion of their income than the wealthiest families. That is completely upside-down, and puts Washington in last place out of all 50 states, according to Who Pays?, a report from the Institute on Taxation and Economic Policy.

**AS THE GRAPH BELOW SHOWS:**

- The poorest fifth of Washingtonians, those with incomes below \$21,000 per year, pay an average of 16.8 percent of their incomes in state and local taxes.
- The richest 1 percent of Washingtonians, who make a minimum of \$507,000 per year, pay on average only 2.4 percent of their incomes in state and local taxes.

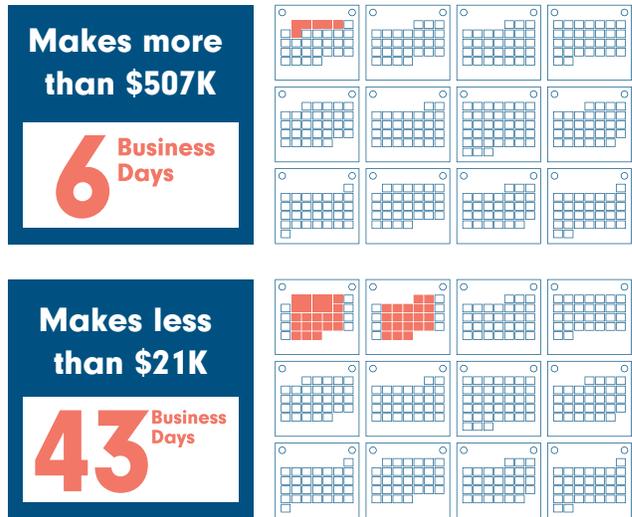
**WASHINGTON STATE & LOCAL TAXES AS A SHARE OF FAMILY INCOME BY INCOME GROUP IN 2015**



**Source-** Washington State's Upside Down Tax System Takes a Heavy Toll on Communities of Color, Washington Budget and Policy Center  
<http://budgetandpolicy.org/schmudget/washington-state2019s-upside-down-tax-system-takes-a-heavy-toll-on-communities-of-color>

To put that in perspective, it takes the wealthiest Washingtonians just 6 business days to make enough money to pay their state and local taxes for the year. By contrast, it takes the poorest Washingtonians 43 business days.

**The difference in time it takes a person to pay their taxes each year.**



**OUR TAX CODE REINFORCES INSTITUTIONAL & STRUCTURAL RACISM**

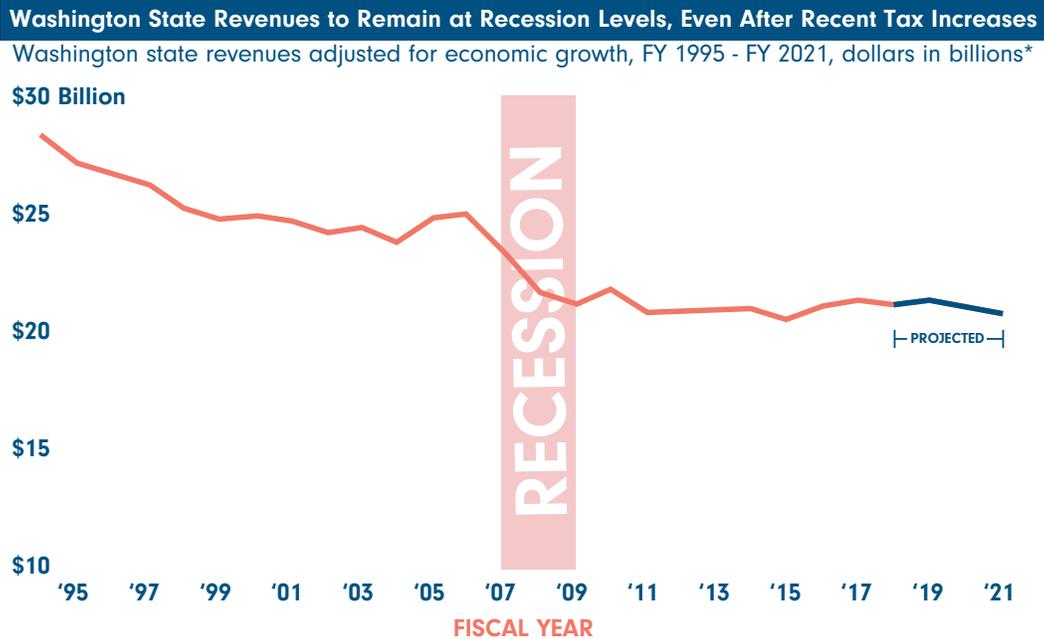
Washington's upside-down tax code reinforces and exacerbates institutional and structural racism in the economy. People from communities of color are more likely than white people to be in the lower- and moderate-income groups that pay a much larger portion of their incomes in Washington's state and local taxes than those at the very top of the income scale.

**Share of race & ethnic group by household income, poorest fifth to richest fifth of Washingtonians**

	INCOME GROUP (IN PERCENT)					Richest
	Poorest	1st	2nd	3rd	4th	
White	18	20	21	22	20	White
Black*	35	24	16	16	9	Black*
American Indian* Alaskan Native*	34	24	18	14	10	American Indian* Alaskan Native*
Chinese*	17	13	17	22	30	Chinese*
Japanese*	18	16	18	24	25	Japanese*
Other Asian Pacific Islander*	16	17	21	23	23	Other Asian Pacific Islander*
Other*	17	26	21	23	13	Other*
Multi-Racial*	22	21	19	21	18	Multi-Racial*
Latino	32	27	20	14	7	Latino

\*Non-Hispanic

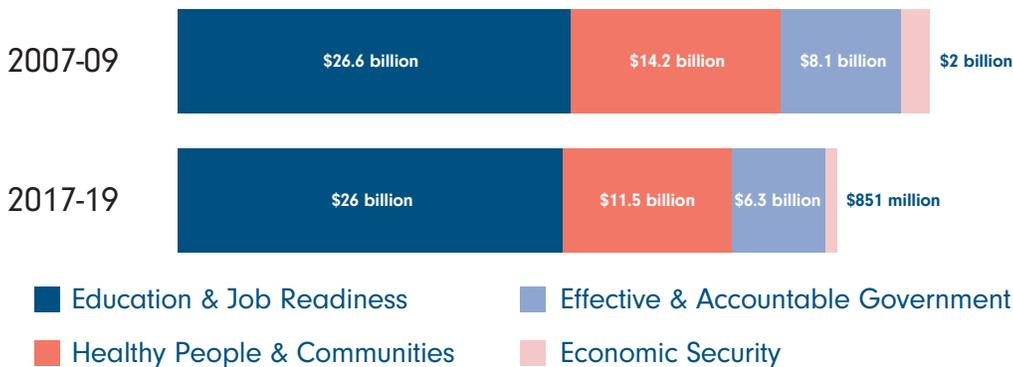
Our tax code has some serious structural defects. As the graph below shows, while the need for robust investments in our communities continues to grow, total tax resources are now \$7 billion lower than they were in 1995, after adjustment for economic growth. Unless we take action to fix it, this will only get worse going forward.



Sources: Budget & Policy Center calculations of data from U.S. Bureau of Economic Analysis and Washington State Economic and Revenue Forecast Council.  
\*State-only near general fund revenues, 2017 dollars, adjusted for growth in total state personal income

**State investments in all value areas are lower then they were a decade ago**

Washington state spending by value area\*,  
2007-09 & 2017-19 biennia (2017 dollars adjusted for economic growth\*\*)



**What this means for state employees:**

The outdated tax system and decline in revenue has had a direct impact on public services and state employee families. As budgets shrink, workloads increase, pay declines, and people are forced out of state service.

Source - Washington Legislative Evaluation and Accountability Program. Spending is state-only Near General Fund + Opportunity Pathways.  
2017-19 spending levels are Governor Inslee's proposed 2018 Supplemental Budget levels.  
\*Value areas as laid out in the Budget & Policy Center's Progress in Washington framework.  
\*\*2017-19 dollars adjusted for growth in state personal income.

[http://budgetandpolicy.org/images/copy\\_of\\_2017\\_12\\_14\\_gov\\_budg\\_spending\\_change\\_by\\_pi\\_biennial.jpg](http://budgetandpolicy.org/images/copy_of_2017_12_14_gov_budg_spending_change_by_pi_biennial.jpg)

Having enough revenue to invest in public services that we all rely on is critical to our collective well-being. It determines our ability to provide high-quality education, build a world-class health care system, protect our environment, and support working families.  
**We can make this happen in Washington if we clean up our upside-down tax code.**

Source: <http://budgetandpolicy.org/schmudget/progress-in-focus-the-case-for-new-revenue-sources>