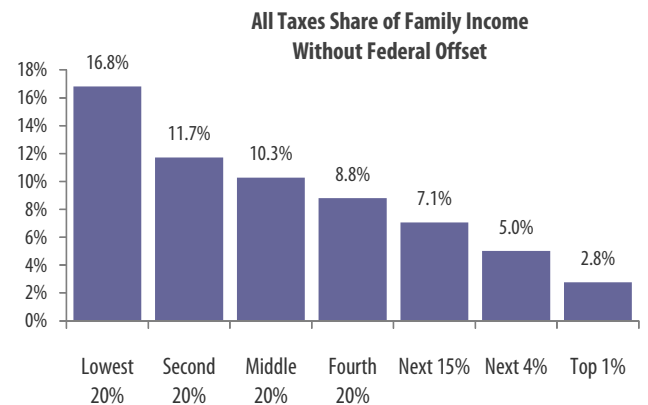
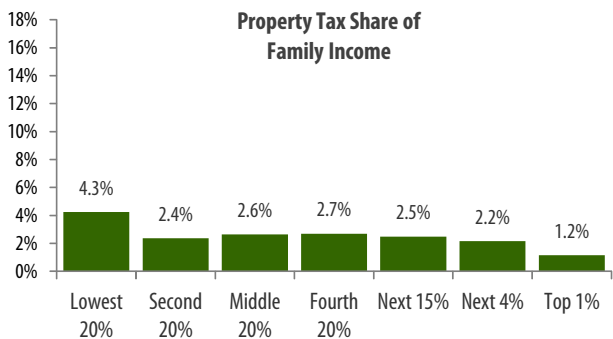
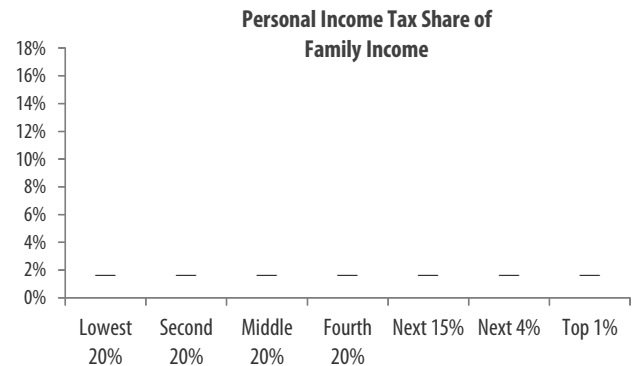
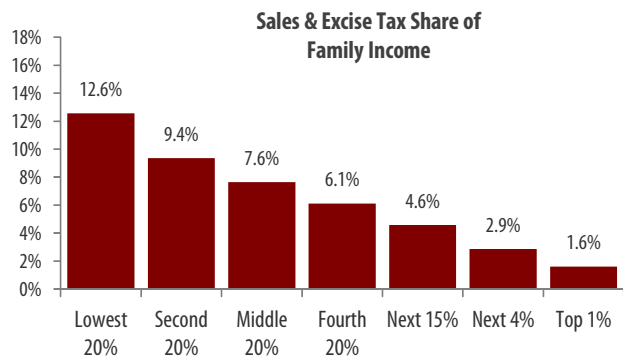
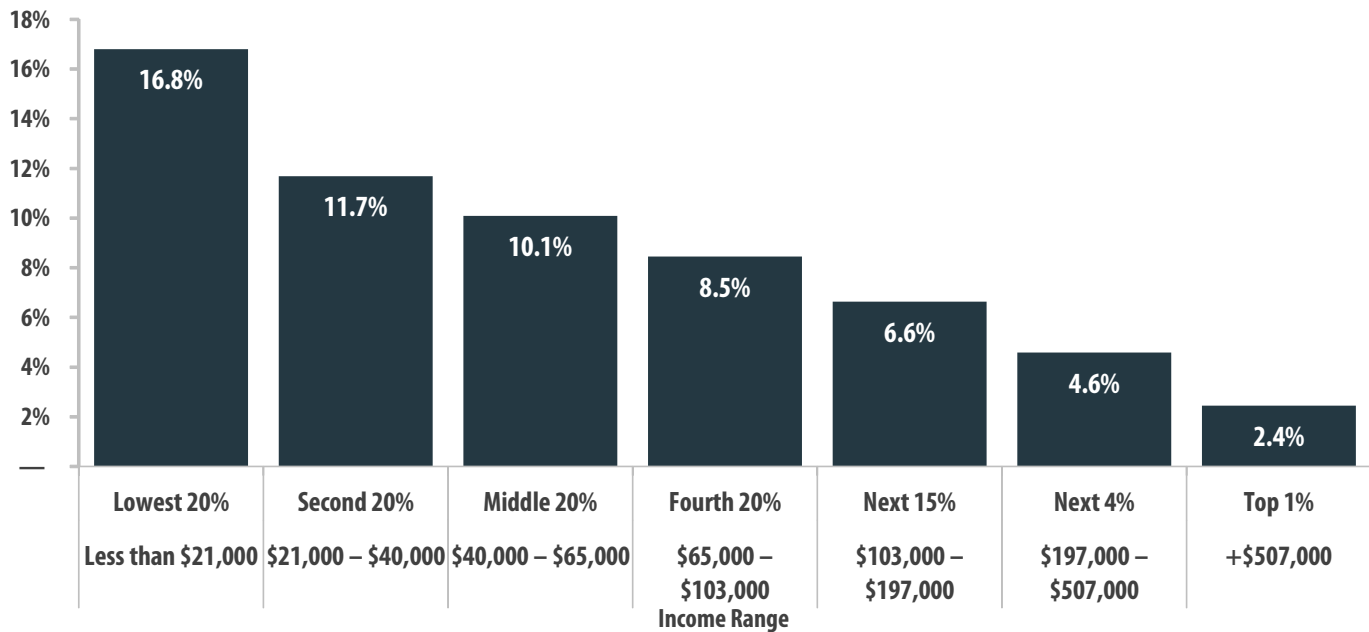


Washington State & Local Taxes in 2015

#1 of the Terrible 10

Shares of family income for non-elderly taxpayers



Note: Figures show permanent law in Washington enacted through December 31, 2014 at 2012 income levels. Top figure represents total state and local taxes as a share of income, post-federal offset.

Washington State & Local Taxes in 2015

#1 of the Terrible 10

Details, Tax Code Features, & Tax Code Changes Enacted in 2013 & 2014

Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$21,000	\$21,000 – \$40,000	\$40,000 – \$65,000	\$65,000 – \$103,000	\$103,000 – \$197,000	\$197,000 – \$507,000	\$507,000 or more
Average Income in Group	\$11,900	\$30,300	\$52,800	\$82,200	\$135,300	\$289,100	\$1,517,800
Sales & Excise Taxes	12.6%	9.4%	7.6%	6.1%	4.6%	2.9%	1.6%
General Sales—Individuals	3.8%	3.1%	2.7%	2.2%	1.7%	1.1%	0.6%
Other Sales & Excise—Ind.	3.9%	2.6%	2.0%	1.6%	1.1%	0.7%	0.3%
Sales & Excise on Business	4.8%	3.6%	2.9%	2.3%	1.7%	1.1%	0.7%
Property Taxes	4.3%	2.4%	2.6%	2.7%	2.5%	2.2%	1.2%
Property Taxes on Families	4.2%	2.3%	2.5%	2.6%	2.4%	1.8%	0.6%
Other Property Taxes	0.1%	0.1%	0.1%	0.1%	0.1%	0.3%	0.6%
Income Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personal Income Tax	—	—	—	—	—	—	—
Corporate Income Tax	—	—	—	—	—	—	—
Total Taxes	16.8%	11.7%	10.3%	8.8%	7.1%	5.0%	2.8%
Federal Deduction Offset	–0.0%	–0.0%	–0.2%	–0.3%	–0.4%	–0.4%	–0.3%
OVERALL TOTAL	16.8%	11.7%	10.1%	8.5%	6.6%	4.6%	2.4%

Note: Table shows detailed breakout of data on previous page.

Washington Tax Code Features

Progressive Features

- Sales tax base excludes groceries

Regressive Features

- No personal income tax
- Imposes a gross receipts tax in lieu of a corporate profits tax
- Enacted a refundable Earned Income Tax Credit, but lawmakers have failed to provide funding for the credit,
- Comparatively high reliance on sales taxes
- Comparatively high combined state and local sales tax rate
- Comparatively high cigarette tax rate
- Fails to provide a property tax “circuit breaker” credit for low-income non-elderly taxpayers

Tax Changes Enacted in 2013 & 2014

- No significant developments

ITEP Tax Inequality Index

According to ITEP’s Tax Inequality Index, Washington has the **most** unfair state and local tax system in the country. States with regressive tax structures have negative tax inequality indexes, meaning that incomes are less equal in those states after state and local taxes than before (See Appendix B for state-by-state rankings and more details).