

A Modern Working Families Tax Credit

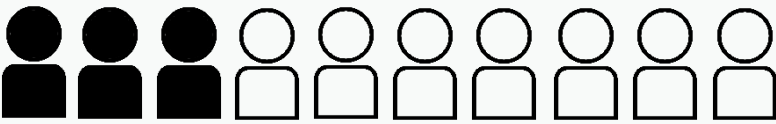
Balance the tax code and promote financial stability for working people

WHAT IS THE WORKING FAMILIES TAX CREDIT?

The Working Families Tax Credit is Washington state's version of the federal Earned Income Tax Credit (EITC), which provides an income boost to working people in the form of a tax refund. For those who qualify, the Working Families Tax Credit would be a meaningful amount of money back into their pockets to help them make ends meet. In Washington, we can build on the success of the federal EITC by modernizing the definition of work and expanding to people who work hard but are excluded from the federal EITC - like immigrants, family caregivers, and young workers without children.

WIDESPREAD POSITIVE IMPACTS

The Working Families Tax Credit would reach close to 1 million tax filers - nearly 30% of the population.



\$350
average
income
boost

\$970
maximum
credit

967,000
households

KEY AREAS OF MODERNIZATION AND EXPANSION

- » Increase state match to 15% of EITC
- » Expand to workers without children age 19 and up
- » Expand to immigrant workers
- » Expand to low-income college students
- » Expand to family caregivers of children under 6, adults over 70, or adults with disabilities

Builds on the federal Earned Income Tax Credit, a proven success at:



Boosting family financial security and asset building, especially in families with children



Driving local economic growth, particularly in rural areas



Supporting work and growing wages, especially for working moms



Promoting better educational and health outcomes for babies and kids

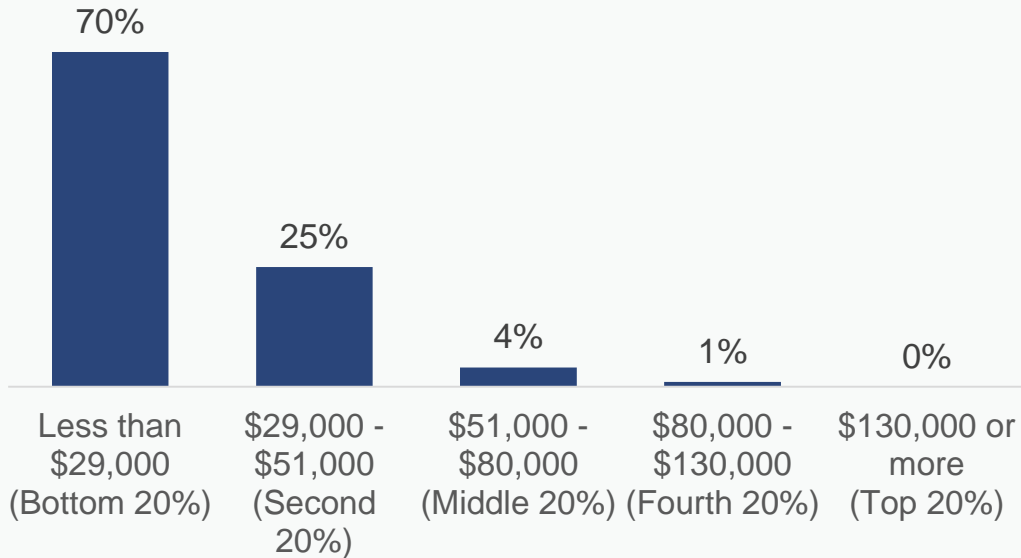


Improving racial equity by beginning to redress the impacts of systemic racism



THE WORKING FAMILIES TAX CREDIT IS TARGETED TO HELP REBALANCE THE TAX CODE FOR WORKING PEOPLE

Share of state spending on total Working Families Tax Credits by income group, 2018



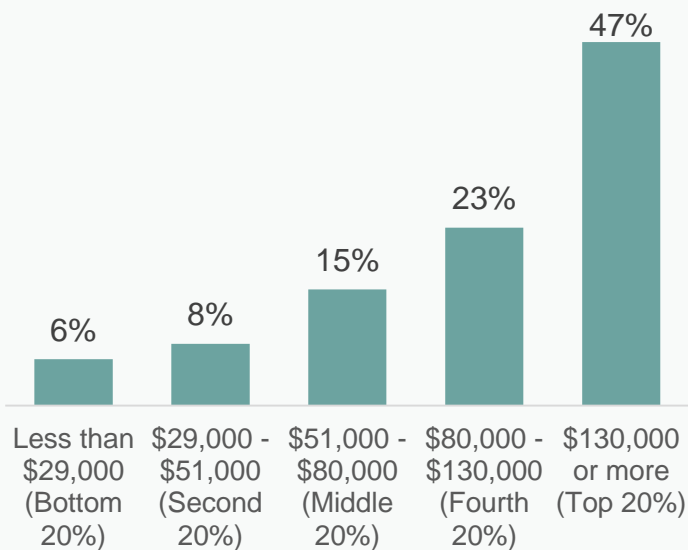
*A tax break for low- and moderate-income workers is the best tool to rebalance the tax code for those at the bottom and middle - who pay up to **6 times more** in state and local taxes as a share of income than the top 1 percent.*

THE WORKING FAMILIES TAX CREDIT IS THE BEST WAY TO TARGET TAX BREAKS TO HELP WORKING PEOPLE KEEP MORE OF WHAT THEY EARN.

SALES AND PROPERTY TAX CUTS PRIORITIZE THE WEALTHIEST OVER WORKING PEOPLE.

CUTTING PROPERTY TAXES BENEFITS THE WEALTHIEST MORE THAN EVERYDAY WORKERS

Share of property tax cut by income group, 2018



A LARGE PORTION OF A SALES TAX CUT WOULD LIKELIKE BE WASTED ON THE WEALTHIEST

Share of sales tax cut by income group, 2018

