



## It's time to fix Washington's broken tax system – and fund the education and services kids need

Our kids deserve a quality public education that prepares them to compete in the modern global economy. The Legislature CAN fully fund the education our kids need while protecting the social and health services families rely on. Washington has the wealth to fully fund our children's education – those resources just need to be shared fairly.

[A new national report confirms what we've known for a long time: Washington's tax system is the most regressive and unfair in the United States.](#)

- Here's an example: 47 percent of the students in Washington's K-12 public schools qualify for free- or reduced-price lunch. Their families pay the highest percentage of their income in state and local taxes.
- *"Our lowest-paid workers pay nearly 17 percent of their income in taxes while the top 1 percent pay less than 3 percent. **A new teacher pays three times more in taxes as a percentage than our wealthiest citizens,**" Gov. Jay Inslee said in his [state-of-the-state speech](#) on Jan. 13.*
- Meanwhile, state Senate budget writer Sen. Andy Hill, a retired Microsoft millionaire, has 21 investment funds that provide more than \$400,000 in annual income. He pays no state or local tax on that income, according to [media reports](#).
- The seven richest men in Washington are worth nearly \$160 billion – equal to the combined wealth of 60 percent of our state's working and middle-class households. Yet they pay the smallest percentage in state taxes.
- In his recent state-of-the-state address, President Obama affirmed the need to make taxes fairer for middle-class workers. According the White House, *"Middle class families today bear too much of the tax burden because of unfair loopholes that are only available to the wealthy and big corporations."*

**Washington has an antique tax system that dates to the 1930s and fails to raise enough money to fund the education and social and health services our state's children need to be successful.**

- Washington ranks 40<sup>th</sup> in per-pupil funding for K-12 students (Mississippi, Alabama and Louisiana spend more on their students).
- Washington ranks 49<sup>th</sup> in per-pupil funding for higher education (only Florida spends less).
- Washington's average class sizes are 47<sup>th</sup> out of 50 states (I-1351 will bring us to about the middle).
- *"Washington is failing in funding an educational system that will fully equip our children for opportunity and success,"* says the [Economic Opportunity Institute](#).



## Revenue solutions exist – but it takes leadership and vision

Legislators claim we can't afford to reduce K-12 class sizes, pay professional compensation or fully fund our schools, yet they won't even consider new sources of revenue.

- [\*"I just don't see how \(1351\) could even happen right now," \(Sen. Jan\) Angel said.\*](#)
- *"Sen. Bruce Dammeier, R-Puyallup, has said Republicans will seek to suspend I-1351,"* according to [The Seattle Times](#).
- Not surprisingly, Sen. Hill *"said raising taxes is an easy but lazy way to balance a budget,"* according to [The Kirkland Reporter](#).

**With leadership and vision, lawmakers CAN find revenue solutions that are stable and sufficient.**

- If, in one day, the Legislature can approve \$8.7 billion in tax breaks for Boeing, it can find the revenue to fund public education.
- Gov. Inslee, to his credit, has proposed two tax increases that will help make the system fairer while raising more money for education and health and social services. [Polling shows strong voters support both of his major revenue ideas.](#)
- A tax on capital gains. [Washington is one of nine states](#) without a capital gains tax, and Inslee's proposed 7 percent tax is less than the rate in Idaho and Oregon. *"We're asking the wealthiest Washingtonians to do a little more. I am proposing a new capital gains tax on the sale of stocks, bonds and other assets. It is estimated that less than 1 percent of the state's taxpayers would be affected. This exempts any capital gains on retirement accounts, homes, farms and forestry,"* Inslee said.
- A tax on the big companies that pollute our environment. *"His plan also assumes \$380 million from his proposed cap-and-trade program to combat climate change, which would charge oil refineries and other big polluters for their carbon emissions,"* says *The Seattle Times*.

Gov. Inslee's revenue proposals are a step in the right direction toward reforming our state's outdated and unfair tax system and raising the funding needed to provide the services Washington residents depend on. While Gov. Inslee's budget falls short of fully funding K-12 and higher education, the governor deserves support for his leadership in proposing new revenue.

Visit [www.OurVoiceWashingtonEA.org](http://www.OurVoiceWashingtonEA.org) to learn more about state funding for public education.