



Washington

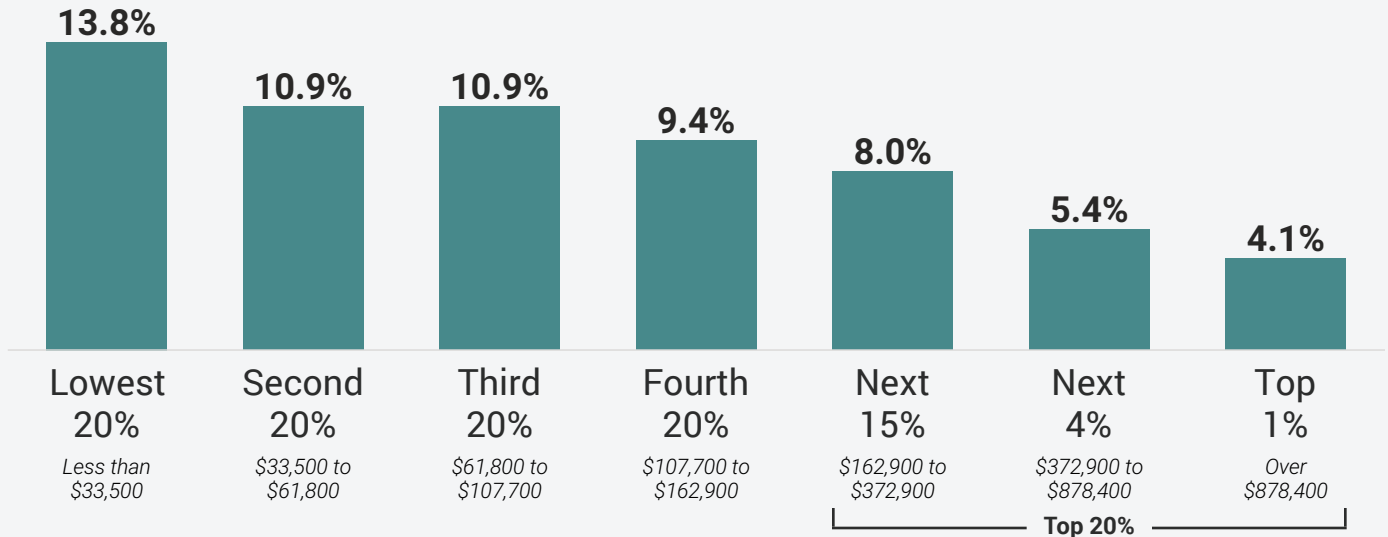
State and local tax shares of family income

Total Taxes

Share of family income

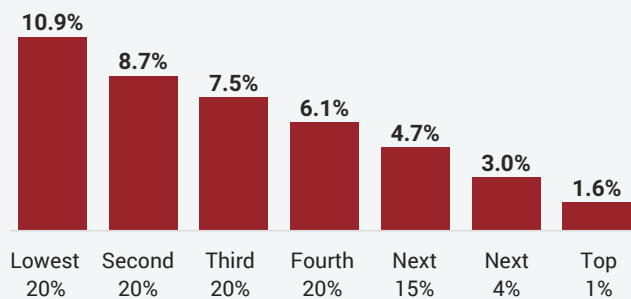


REGRESSIVE



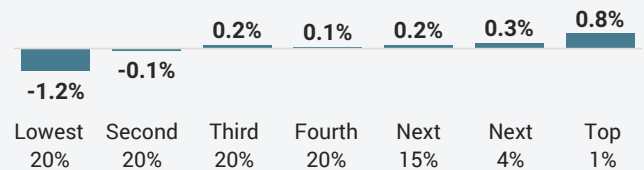
Sales & Excise Taxes

Share of family income



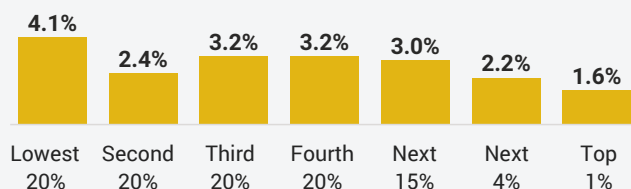
All Other Taxes

Share of family income



Property Taxes

Share of family income








Note: All figures and charts show 2024 tax law in Washington, presented at 2023 income levels. Senior taxpayers are excluded for reasons detailed in the methodology. Our analysis includes nearly all (99.3 percent) state and local tax revenue collected in Washington. As seen in Appendix D, the state's new Working Families Tax Credit and Capital Gains Excise Tax have lessened the regressive tilt of Washington's tax system. Overall tax rates on the top 1 percent rose by 0.6 percentage points because of these policies while tax rates for the bottom fifth fell by 1.4 percentage points. These changes caused the state to move 1 spot in the ITEP Inequality Index rankings, from most to 2nd most regressive.

Washington

State and local tax (cont.)

Individual figures may not sum to totals due to rounding.

| | | | | | Top 20% | | |
|---|--------------------|----------------------|-----------------------|------------------------|------------------------|------------------------|----------------|
| Income Group | Lowest 20% | Second 20% | Middle 20% | Fourth 20% | Next 15% | Next 4% | Top 1% |
| Income Range | Less than \$33,500 | \$33,500 to \$61,800 | \$61,800 to \$107,700 | \$107,700 to \$162,900 | \$162,900 to \$372,900 | \$372,900 to \$878,400 | Over \$878,400 |
| Average Income in Group | \$18,600 | \$47,400 | \$82,400 | \$132,800 | \$235,600 | \$537,800 | \$2,077,500 |
|  Sales & Excise Taxes | 10.9% | 8.7% | 7.5% | 6.1% | 4.7% | 3.0% | 1.6% |
| General Sales—Individuals | 4.7% | 4.0% | 3.5% | 2.8% | 2.1% | 1.2% | 0.4% |
| Other Sales & Excise—Ind. | 2.8% | 1.7% | 1.3% | 1.0% | 0.8% | 0.4% | 0.2% |
| Sales & Excise—Business | 3.4% | 3.0% | 2.7% | 2.2% | 1.9% | 1.4% | 1.1% |
|  Property Taxes | 4.1% | 2.4% | 3.2% | 3.2% | 3.0% | 2.2% | 1.6% |
| Home, Rent, Car—Individuals | 3.6% | 1.9% | 2.7% | 2.7% | 2.5% | 1.6% | 0.5% |
| Other Property Taxes | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.6% | 1.1% |
|  Income Taxes | -1.4% | -0.3% | 0.0% | 0.0% | 0.1% | 0.2% | 0.7% |
| Personal Income Taxes * | -1.4% | -0.3% | 0.0% | 0.0% | 0.1% | 0.2% | 0.7% |
| Corporate Income Taxes | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
|  Other Taxes | 0.2% | 0.2% | 0.2% | 0.1% | 0.1% | 0.1% | 0.1% |
|  TOTAL TAXES | 13.8% | 10.9% | 10.9% | 9.4% | 8.0% | 5.4% | 4.1% |

* Washington state provides a tax rebate to low-income households structured with similar eligibility requirements to the federal Earned Income Tax Credit (EITC), and levies a tax on the sale or exchange of certain capital assets, structured as an excise tax for the purposes of state law and upheld as such by the state Supreme Court in 2023. For the purposes of this 50-state study, we include the Capital Gains Excise Tax and the Working Families Tax Credit on the income tax line to improve comparability of our results to other states that accomplish similar objectives within their income tax codes.

ITEP Tax Inequality Index

ITEP's Tax Inequality Index measures the effects of each state's tax system on income inequality. **According to this measure, Washington has the 2nd most regressive state and local tax system in the country.** Income disparities are larger in Washington after state and local taxes are collected than before. (See Appendix B for state-by-state rankings and the report methodology for additional detail.)

Tax features driving the data in Washington

