

Funding the Public Good with Progressive Revenue

Ideas for the Legislature to Fund
Programs & Make Real Reforms
to our Upside Down Tax Code

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The Economic Opportunity Institute

EOI is an independent, nonpartisan, not-for-profit 501(c)3 research and advocacy organization.

The policies we advance are designed to align with our core values of **Fairness, Care and Opportunity**

We advocate for and research policies around Paid Family & Medical Leave, “Baby Bonds,” retirement security, health care access, and more!



WHEN WASHINGTON'S
TAX CODE WAS WRITTEN



Olympia looked like this.

it's time to bring our economy into the 21st century

Change is Needed

We have an out-dated, unfair and inadequate tax code that encourages austerity budgets,

We under-invest in vital programs and our people while we give the ultra rich and large, profitable corporations a huge tax break

Those earning the least pay nearly 14% of their income in taxes and the richest one percent pay only 4% of their income. .

The Impacts of the “Let’s Go” Initiatives

I-2124

Defunds long term care

Makes paying into the WA Cares Act optional, essentially defunding the program before it’s been implemented

I-2109

Repeals the capital gains tax on the very wealthy

We’d lose \$900 million for early learning, K-12 education, and school construction.

I-2117

Repeals the Climate Commitment Act

Defunds climate mitigation efforts on the scale of billions of dollars per year, by repealing a cap-and-invest program that taxes big polluters

The Impacts of the “Let’s Go” Initiatives

I-2124

I-2109

I-2117

Protect our children, elders and the environment and be sure to vote NO

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Act optional, essentially defunding
the program before it’s been
implemented

learning, K-12 education, and school
construction.

Repeals the Climate
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program that taxes big polluters

Revenue Options for Next Session

There is a list of policy options that the legislature could pass this session that would bring in revenue to fund public programs and services

Ideas are based on principles of a reforming our tax code to make it **Progressive, Sustainable, and Adequate**

Budget problems will not be fixed in the short or especially long term by adjusting levers on regressive taxes or implementing new regressive taxes



A “to-do list” for Investing in the Public Good

**Close the High Earners
Payroll Loophole**

up to \$3.5 billion
raised per year

**Pass the Affordable
Homes Act**

\$150 million
raised per year

**Put the Breaks on Runaway
Wealth Inequality**

\$3 billion
raised per year

Put the Breaks on Runaway Wealth Inequality

What is it?

Financial assets, such as stocks and bonds, are not taxed unless they are sold. This reform is a 1% tax on the market value of financial assets with the first \$250 million in value exempted, meaning the first quarter billion in financial wealth remains untaxed.

Does WA have similar tax already?

We do tax the profits from the sale of financial assets, via the capital gains tax & wealth is taxed when a wealthy person dies via the estate tax

How much public revenue will it raise?

\$3 billion a year

Pass the Affordable Homes Act

What is it?

This bill creates a permanent funding source for affordable housing by adjusting the real-estate excise tax. This reform will make selling a home fairer for working families by (1) lowering the tax rate on homes selling for under \$3 million and (2) raising the tax rate modestly on properties selling for more than that.

Does WA have similar tax already?

Yes, this policy makes the existing Real-estate excise tax more progressive

How much public revenue will it raise?

\$150 million per year

Close the High Earners Payroll Tax Loophole

What is it?

Payroll taxes for social programs – including Washington’s popular Paid Family and Medical Leave (PFML) program – aren’t paid on income above \$168,600. This tax would fix this payroll loophole on the employer side.

Does WA have similar tax already?

Yes, Seattle has the Jumpstart Tax, which is a progressive excise tax, wherein employers of a certain size are taxed on payroll above a threshold

How much public revenue will it raise?

It depends on how we structure it. At a rate 0.5 % on income above \$168k, the tax will raise around \$250 million. At 8%, it will raise upwards of \$3.5 billion per year

Resources

Other Progressive Revenue Policies

- [Modernize the Estate Tax](#)
- [Eliminate the Higher Ed Big Tech Giveaway](#)

Learn more about:

- [The Let's Go Initiatives](#)
- [Polling on progressive taxes](#)

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Questions?

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