



Traci Underwood  
The Economic Opportunity Institute  
[www.opportunityinstitute.org](http://www.opportunityinstitute.org)

# PROGRESSIVE TAXES FOR FUNDING THE PUBLIC GOOD

Policy ideas for the 2026 session





# *Economic Opportunity Institute*

*Building an economy that works for everyone.*

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: Fairness, Care & Opportunity



# 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, 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.

# PILLARS OF PROGRESSIVE REVENUE POLICY

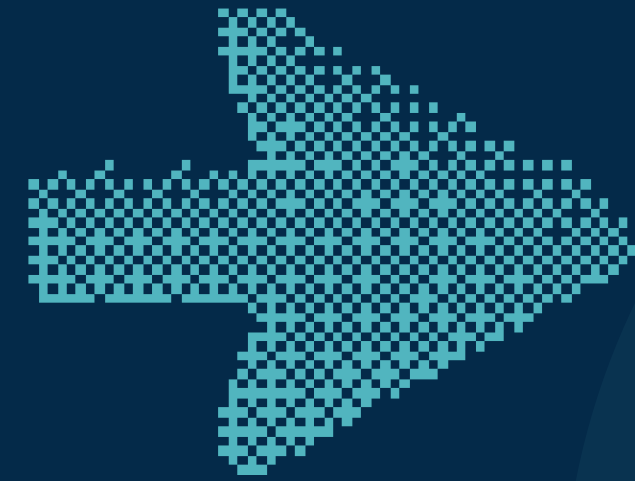
PROGRESSIVE REVENUE IS  
POPULAR, SUSTAINABLE &  
ADEQUATE

There are several policy options that the legislature could pass this session that would bring in revenue to fund public programs and services both on a short and long term basis.

These policies are **progressive, sustainable, and equitable.**



# POLICY POSSIBILITIES FOR '26



## WEALTH TAX

Tax Wall Street wealth based on its market value, exempting the first \$50 million in such assets

~\$3 billion per year

## HIGH SALARY PAYROLL TAX ON EMPLOYERS

Close a loophole on high earners (making more than \$168k)

~\$5 billion per year

## CAPITAL GAINS TAX

Build on the foundation of the capital gains tax by closing loopholes and adding other wealth-driven profits

tbd



# WEALTH TAX

## A TAX ON EXTREME WALL STREET WEALTH

**Policy:** \$5 on every \$1,000 (effectively a 0.5% tax) of the “true and fair value of certain financial intangible assets, such as stocks and bonds” after an exemption of \$50 million

**Revenue:** up to around \$3 billion per biennium



# HIGH SALARY PAYROLL TAX ON EMPLOYERS

## CLOSING A LOOPHOLE ON EMPLOYERS

**Policy:** 5% tax paid by employers on payroll expenses over the social security wage threshold (about \$176,000 for 2025), only for businesses with over \$7 million in total payroll

\*For an employee making \$180,000, an employer would pay \$200 ( $\$4,000 \times 5\%$ )

**Revenue:** up to around \$5 billion per biennium



# CAPITAL GAINS TAX

## BUILDING OFF THE FOUNDATION OF THE CAPITAL GAINS TAX

**Policy:** There are several possibilities from closing loopholes in the current capital gains tax to building off its foundation to tax other types of wealth-derived profits (such as interest, dividends, and/or pass-through business profits)

**Revenue:** around \$100 million up to \$7 billion

Email me!

[traci@opportunityinstitute.org](mailto:traci@opportunityinstitute.org)

# QUESTIONS?

