




Washington's tax code is an untapped resource to advance racial justice

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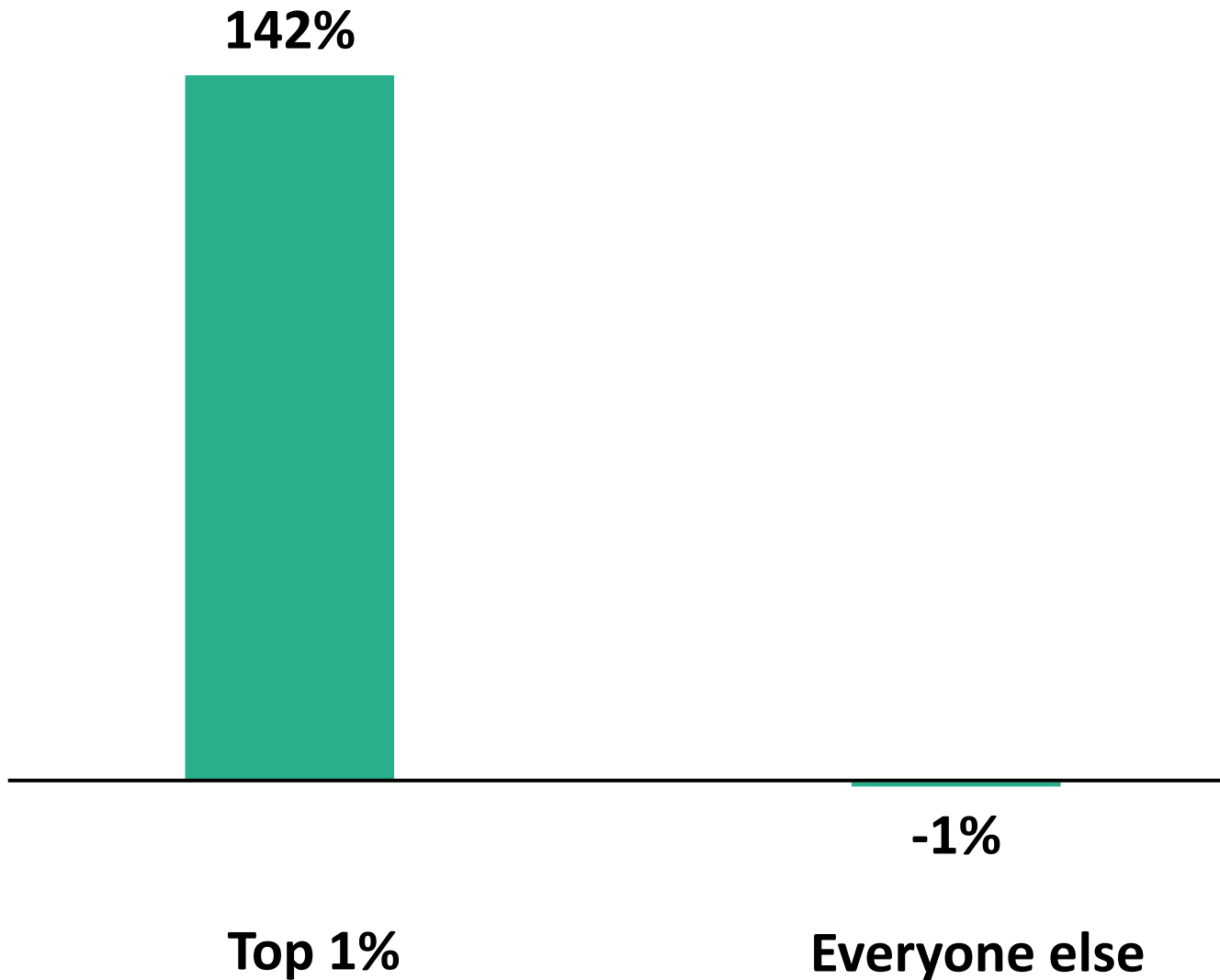
November 19, 2020




Three key points

- Legacy of discrimination and racial oppression reverberates today
- Today's tax code is a major barrier to racial equity
- It doesn't have to be this way!

Income inequality is *worsening* in Washington state





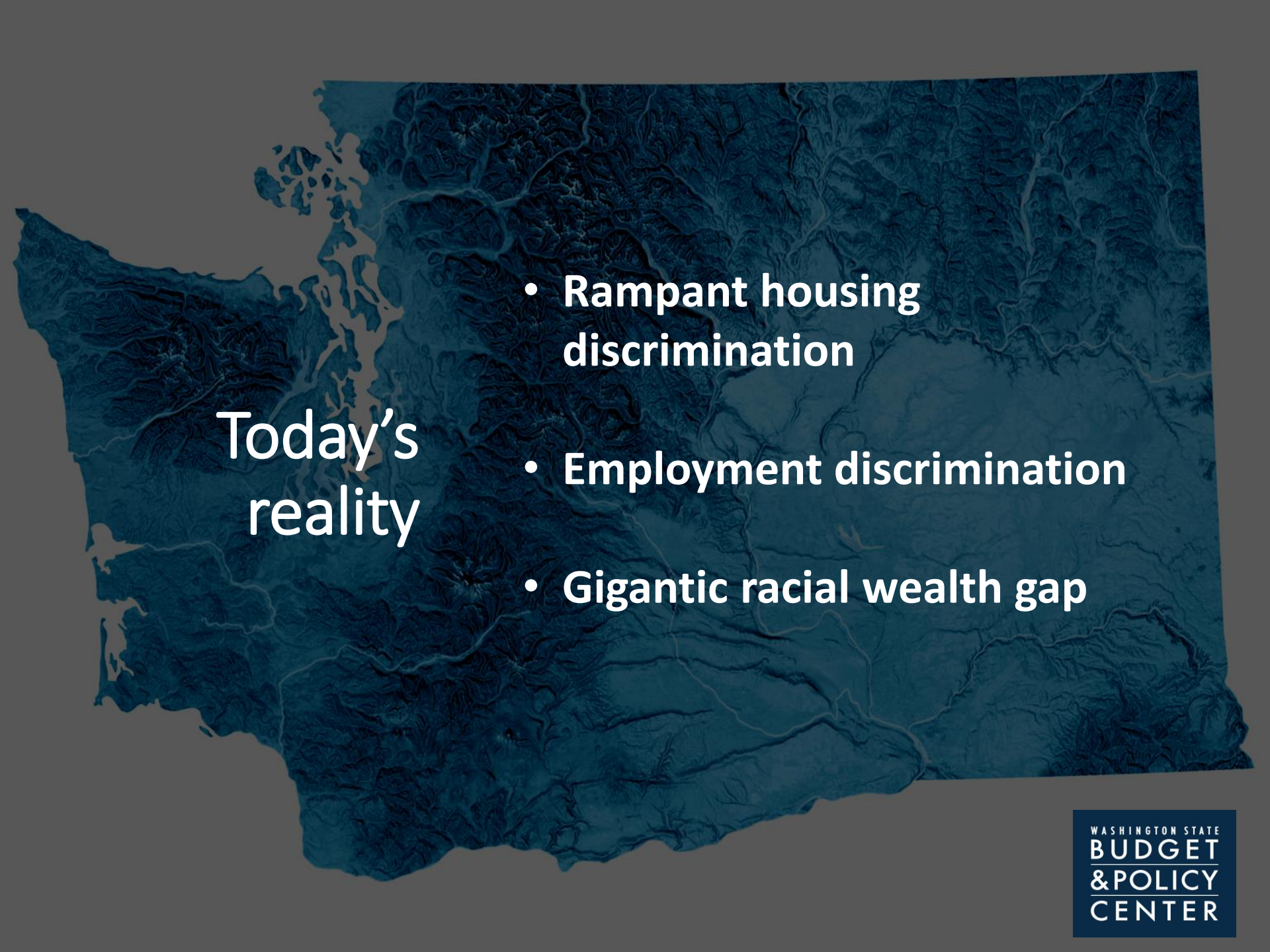
Three key points

- **Legacy of discrimination and racial oppression reverberates today**



History of oppression

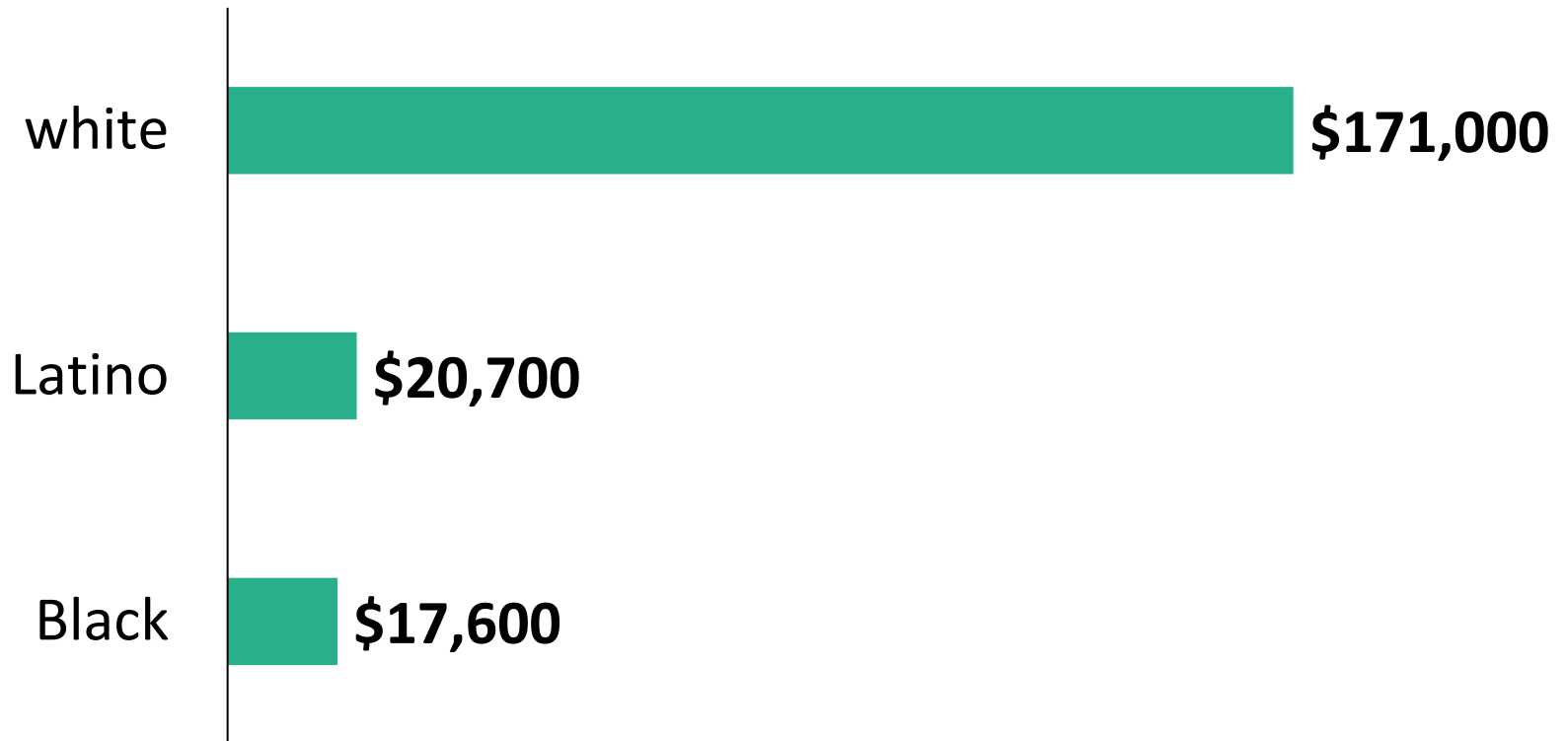
- Endorsement of slavery
- Anti-Asian taxes
- Impeding Native American fishing rights
- Abusive treatment of Mexican guest workers




Today's reality

- **Rampant housing discrimination**
- **Employment discrimination**
- **Gigantic racial wealth gap**

The racial wealth gap in America is *staggering*

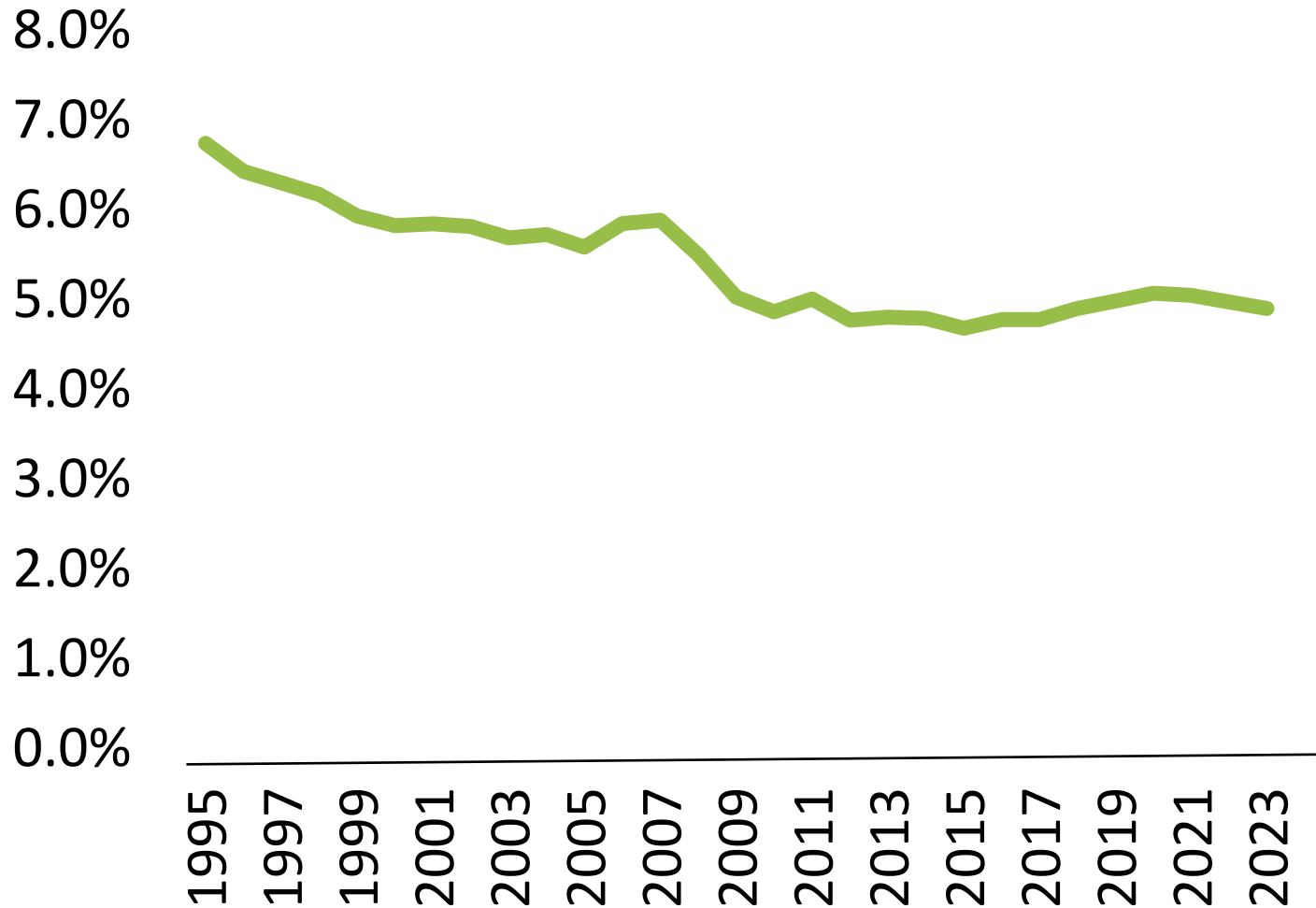





**Tax code is a
barrier to
racial equity**

- **Can't sustain community investments**
- **Regressive taxes disproportionately harm people of color**

Revenue for community investments continues to *erode*



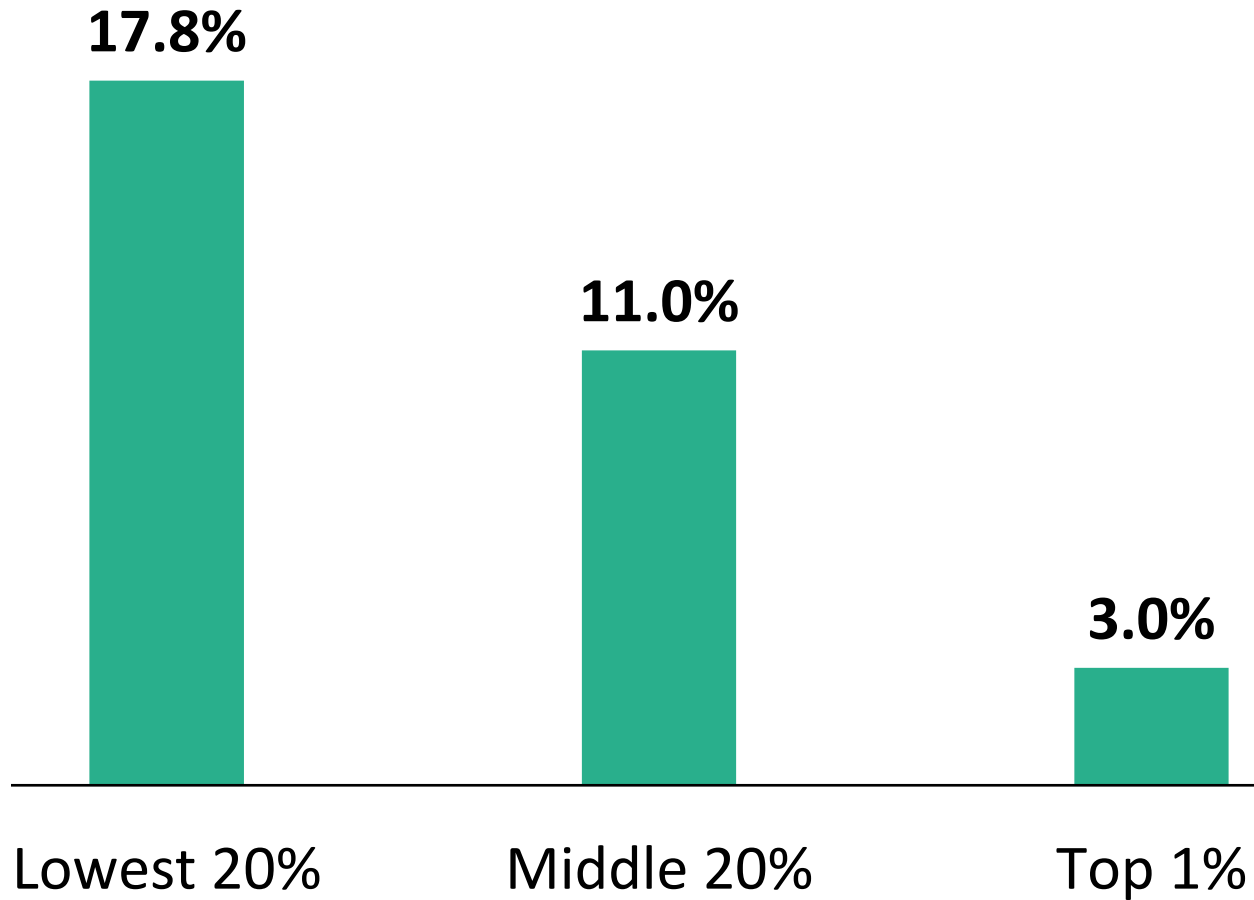
Source: Washington State Economic and Revenue Forecast Council; state-only tax revenue (NGF-O) as a share of total state personal income by fiscal year

A topographic map of Washington state, rendered in shades of blue and teal, showing the state's geographical features like mountains and rivers. The map is the background for the text.

Tax code is a barrier to racial equity

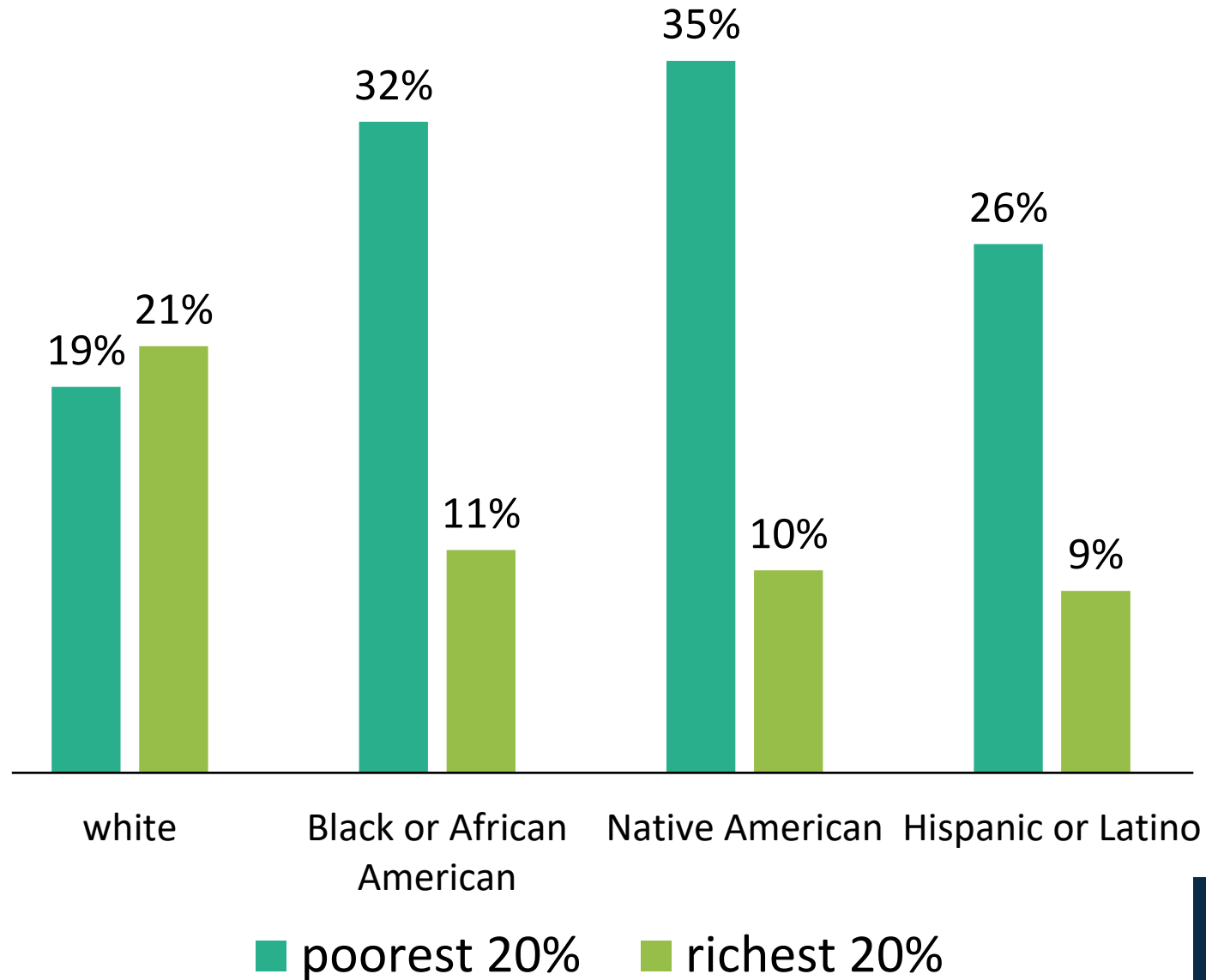
- Can't sustain community investments
- Regressive taxes disproportionately harm people of color


Lowest income households pay *highest* tax rates in Washington state



Source: Institute on Taxation and Economic Policy, average effective state and local tax rate by income group in 2018

Washington's tax code *exacerbates* racial injustices





It doesn't
have to be
this way!

- Invest in communities by ensuring the wealthy pay their fair share
- Reduce taxes for those struggling to make ends meet

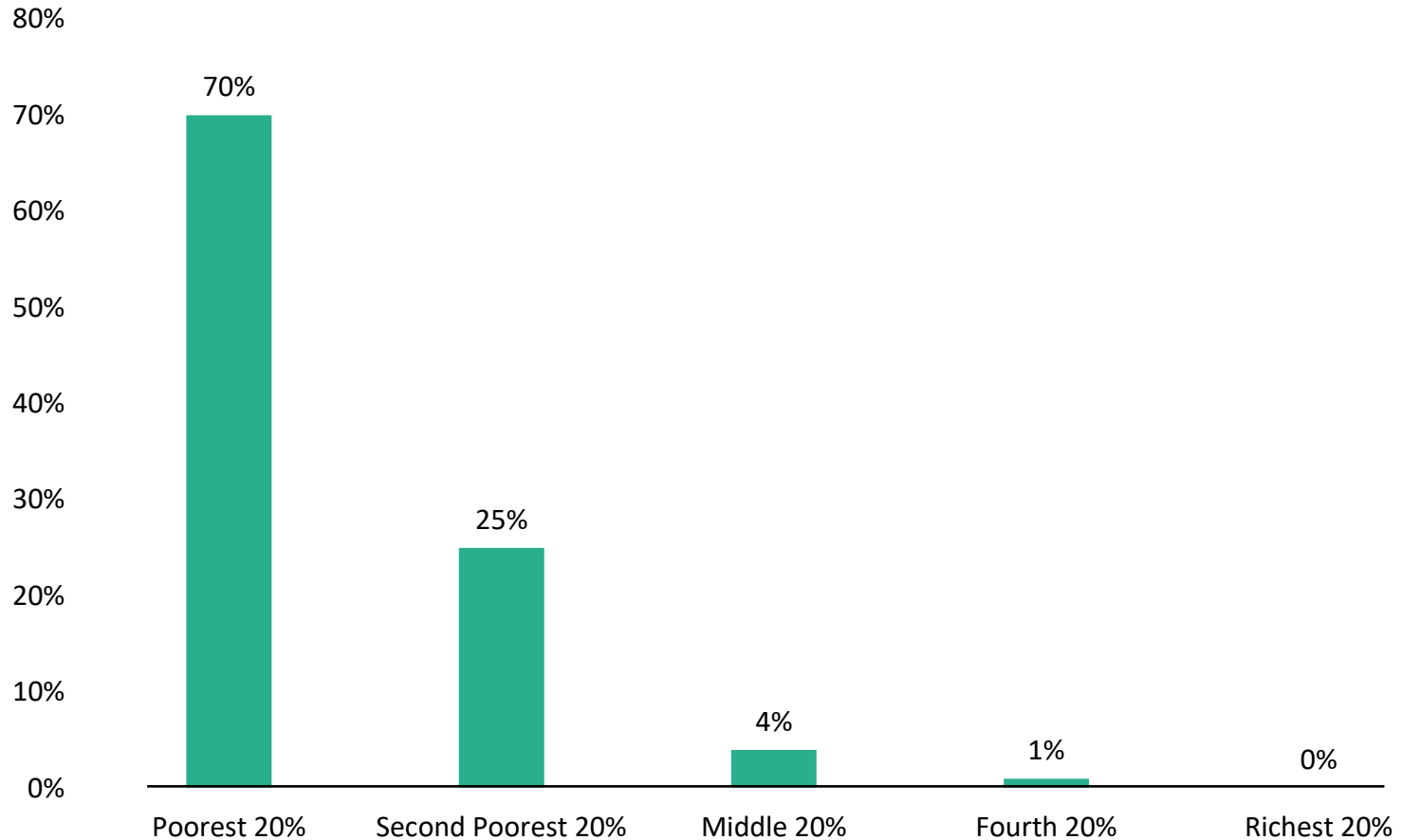


Thank you!

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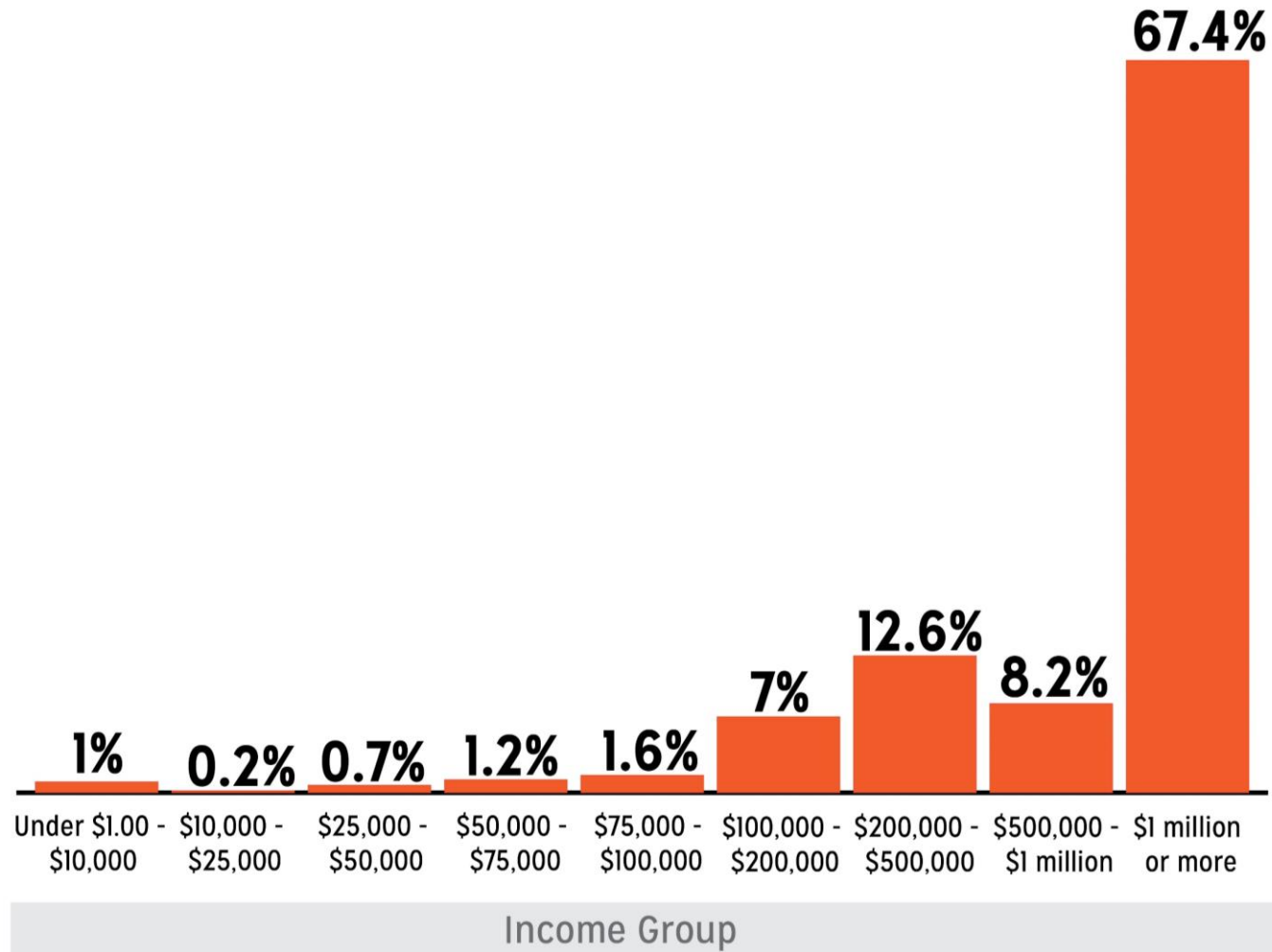
Working Families Tax Credit benefits those most in need



Share of total Working Families Tax Credits by income group

Millionaires and billionaires claim more than *two-thirds* of all capital gains in Washington state

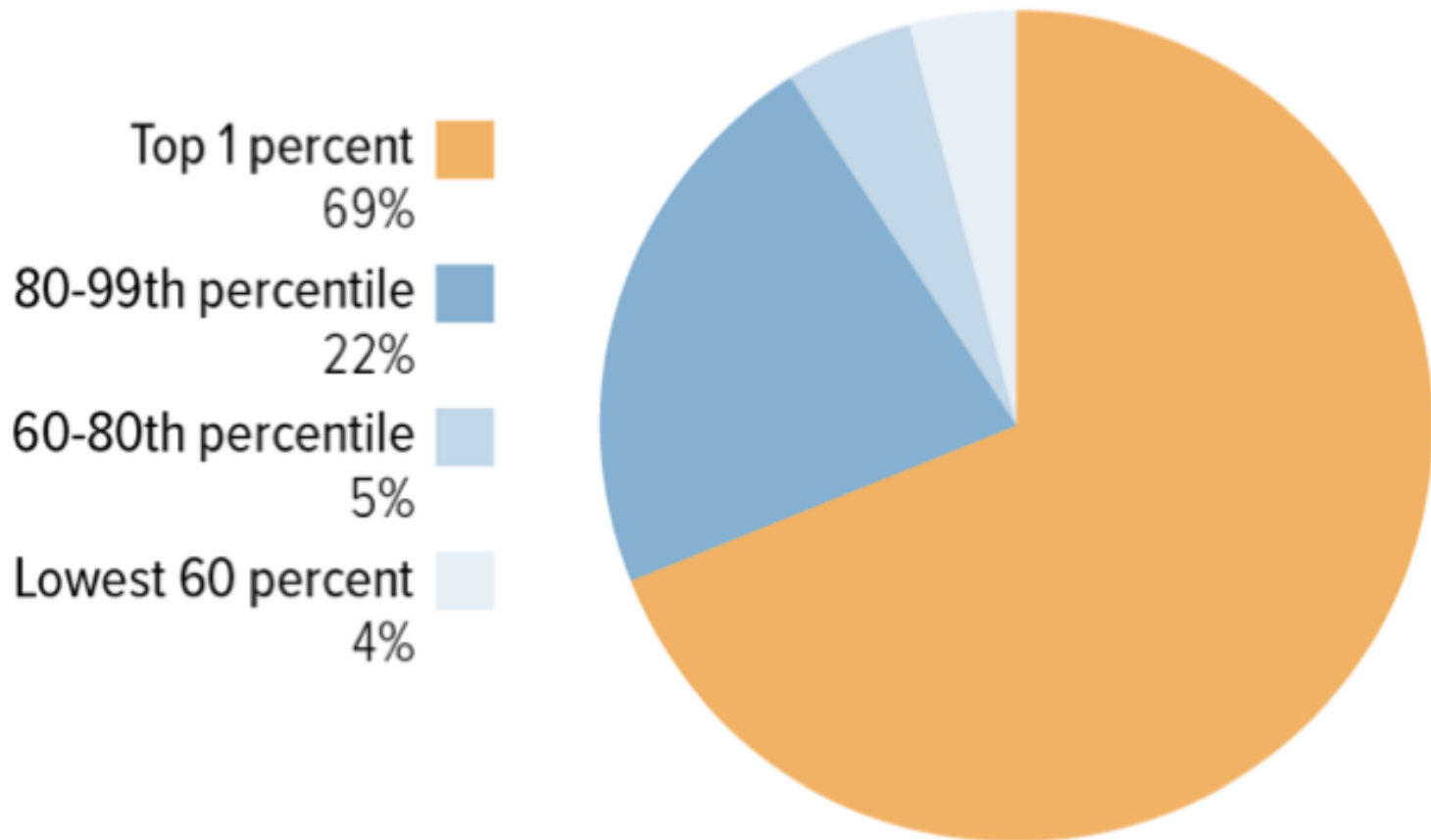
Share of total capital gains claimed in Washington state in 2016



Source: Washington State Budget & Policy Center calculations; data from the IRS.

Capital Gains Go Overwhelmingly to Wealthy Families

Share of total capital gains, 2018



Note: Capital gains are the gains on the value of assets such as stocks and real estate.

Source: Urban-Brookings Tax Policy Center, T18-0231

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A CAPITAL GAINS TAX COULD GENERATE

\$1 BILLION

*In revenue to spend on **Community Investments**'*





Questions