



**SENATE
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PUTTING PEOPLE FIRST

2025 Revenue Discussion



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**Why is revenue needed,
and how did we get here?**

Costs & Caseloads

With the rise in inflation over the past few years, the cost of just maintaining the current services Washingtonians expect and count on has gone way up.

Caseloads have gone up too — and this isn't a bad thing. We're seeing tens of thousands of people more than we expected getting state help with things like high-quality early learning in their communities. More kids getting early learning is a good thing — but it costs more money than we expected too.

Outdated & Upside- Down Tax Code

Our nearly century-old tax code relies on mostly flat taxes that do very little to distinguish between small businesses and large corporations, homeowners and owners of skyscrapers, working people and billionaires.

Despite recent reforms, we're still requiring lower- and middle-income Washingtonians to pay far more in taxes than the wealthiest few and some of the biggest corporations in the world.

Lessons From the Great Recession

During the Great Recession, the Legislature made more than \$10 billion in cuts to the operating budget.

What happened as a result? We saw college tuition go through the roof, sharp increases in poverty, schools defunded, people lose health care access, and more.

We don't have to make that same mistake again.



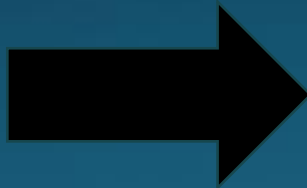
**We can fund world-class
schools, affordable
housing, and more by
making the wealthy few
pay what they owe.**

Tell Our Winning Narrative

The I-2109 Example

I-2109 won a historic victory with a simple winning narrative:

**Fund good stuff
like education and
early learning**



**By making the
wealthy few pay
what they owe**



The Good Thing We All Want...

We have to say what we are for, not just what we are against. We have to tell a story with solutions and vision, centered on the real needs and lives of working Washingtonians.

“No matter what we look like, where we come from, or how we make a living, Washingtonians deserve to have the things we need to thrive: to access quality public education, get support for loved ones with disabilities, live in a home we can afford, and have healthy food on the table.”

...Connected To How We Make It Happen

We have to identify the villain and the problem blocking our progress and how we can take action to solve the issue.

“We have an upside-down tax code that benefits big corporations and the wealthiest few, that was written 100 years ago and desperately needs an update for the 21st century. If we ensure Washington’s wealthiest pay what they truly owe in taxes, the rest of us will have what we need — like affordable health care, housing, and food.”

The Best Ways to Talk Taxes

Do Say

“Pay what they owe”

Funding, providing, ensuring we have X

How does this help the people who matter most? Center the needs and well-being of real people, and be specific

Don't Say

“Tax the rich” or “pay their fair share” – taxes aren't a punishment

Investing in X

Avoid centering the tax or talking in vague terms about “the economy” or “education”

The Best Ways to Talk Taxes

Do Say

Focus on the proposed solutions and how it will make people's lives better

Shared contribution,
Shared responsibility

Be specific about the "villain" – talk about "the wealthy few" and those who wrote our flawed tax code 100 years ago

Don't Say

Don't focus on the budget hole

Tax burden, tax relief

Villainize in sweeping generalizations, or say this is everyone's fault



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Some major proposals

Remove the Cap on Employer Payroll Taxes

Corporations don't pay payroll taxes for Social Security or our Paid Family & Medical Leave program on salaries paid over \$168,600.

By taxing a handful of large corporations only on the compensation paid to their highest-income employees, we can raise funds for education and other essential services.

This would likely work like Seattle's popular "JumpStart" payroll tax.

B&O Surcharge on the Largest Corporations

The B&O can be tough for small businesses with low profit margins. In contrast, large, multi-national corporations get many B&O tax breaks and rake in more and more revenue. With a deep bench of tax experts on staff, big companies can minimize their taxes, while small businesses struggle to keep up with a complex system riddled with loopholes.

Reforming the B&O tax system to make it more progressive and ask the highest profiting businesses to pay what they owe is on the table this session.

Capital Assets Ownership Tax (Wealth Tax)

The capital assets ownership tax is like our well-established property tax on homes and real estate. For decades, middle-class homeowners have paid annual property taxes on the assets that make up much of their wealth — their homes and land — while millionaires and billionaires haven't had to pay property tax on the stocks, bonds, and financial assets that make up most of their wealth.

By extending the property tax to include stocks, bonds, and other financial assets, we can ensure that extremely wealthy Washingtonians are taxed on their assets just like middle-class families are already taxed on theirs.



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Discussion