



2025 Revenue Options

Taxing Large Corporations

Remove the Cap on Employer Payroll Taxes

A tax paid by employers on the total compensation (wages, salaries, stock options, etc.) paid to employees making above the Social Security threshold (currently \$168,600) at 6.2%, similar to what employers already pay for Social security and PFML on compensation below that threshold. Only companies with \$8 million or more in WA payroll will be subject to the tax. This is similar to Seattle's JumpStart payroll tax.

Alternate version: Remove the requirement that the company have \$8 million minimum payroll, so it applies to all businesses not just big businesses.

<u>Main Version</u>	
## of Taxpayers:	4,000
FY26:	\$0
FY27:	\$380M
FY28:	\$3.7B
FY29:	\$3.8B
<u>Alternate Version</u>	
# of Taxpayers:	30,000
FY26:	\$0
FY27:	\$410M
FY28:	\$4.1B
FY29:	\$4.2B

B&O Surcharge on the Largest Corporations

Imposes an additional 1% B&O surcharge on taxpayers with WA taxable income over \$500 million on a marginal basis (only on taxable income above \$500M). This excludes large financial institutions.

Alternate version: Apply this 1% surcharge on all taxable income on these same companies.

<u>Main Version</u>	<u>Alternate Version</u>
# of Taxpayers: 140	# of Taxpayers: 140
FY26: \$0	FY26: \$0
FY27: \$849M	FY27: \$1.1B
FY28: \$2.1B	FY28: \$2.9B
FY29: \$2.2B	FY29: \$2.3B

Modify the Advanced Computing Surcharge (ACS) Cap

Removes the \$9 million annual ACS cap and applies the workforce education surcharge to all service and other activities income with no limit.

Alternate version: Increase the \$9 million annual ACS cap to \$15 million

<u>Main Version</u>	<u>Alternate Version</u>
# of Taxpayers: 85	# of Taxpayers: 85
FY26: \$44.3M	FY26: \$4.3M
FY27: \$187.0M	FY27: \$18.1M
FY28: \$197.3M	FY28: \$19.1M
FY29: \$207.2M	FY29: \$19.8M



2025 Revenue Options

Taxing Wealthy Individuals

Capital Assets Ownership Tax (Wealth Tax)

Individuals who reside in Washington are subject to a 1% property tax on financial intangible assets exceeding \$50 million based on the value of the assets on December 8, 2024.

Alternate version: Change the exemption to \$250 million.

Main Version

of Taxpayers: 7,500

FY26: \$0

FY27: \$4.3B

FY28: \$4.5B

FY29: \$4.5B

Alternate Version

of Taxpayers: 1,100

FY26: \$0

FY27: \$2.3B

FY28: \$2.4B

FY29: \$2.4B

Raise Capital Gains Tax on Million-Dollar Gains

Raise tax for gains over \$1 million to 9.9%, while keeping at 7% for gains over the current threshold (\$250K) for less than \$1 million.

Alternate version: Change capital gains tax on all gains above \$250,000 from 7.0% to 9.0%.

Main Version

of Taxpayers: 900

FY26: \$151M

FY27: \$131M

FY28: \$136M

FY29: \$143M

Alternate Version

of Taxpayers: 3,400

FY26: \$139M

FY27: \$121M

FY28: \$125M

FY29: \$132M



2025 Revenue Options

Other Taxes

Property Tax Levy Lid Lift

Increases the regular property tax levy growth limit for both state and local tax districts by revising the definition of "inflation" and "limit factor," increasing it from 1% to a maximum of 3%.

Main Version

of Property Parcels: 3.2M
FY26: \$25M
FY27: \$79M
FY28: \$138M
FY29: \$191M

The Affordable Homes Act

Increases the ceiling for Tier 1 real estate excise tax (REET) from \$545,000 to \$750,000 and imposes a new RETT of 1% on the value of the selling price over \$3.025M. Directs the revenues to specific housing-related accounts.

Main Version

of Taxpayers: N/A
FY26: \$0
FY27: \$42M
FY28: \$122M
FY29: \$134M

Make the Rental of Storage Units a Retail Transaction

Defines the rental of self-service storage units as a retail transaction taxable under the retailing B&O tax classification and the retail sales tax. This generates both local and state revenue.

Main Version

of Taxpayers: 3,300
FY26: \$16M
FY27: \$41M
FY28: \$44M
FY29: \$46M

Tax on Sale of Ammunition & Firearms

Imposes a new 11% tax on sales of ammunition, firearms, and parts. The tax is in addition to any tax imposed by federal, state, or local governments. The new tax does not apply to sales made to federal, state, local, or tribal governments to supply law enforcement or the military.

Main Version

of Taxpayers: 3,000
FY26: \$7M
FY27: \$18M
FY28: \$18M
FY29: \$19M



2025 Revenue Options

Tax Shifts, Reductions, & Replacements

Working Families Tax Credit Expansion

Expand the Working Families Tax Credit (WFTC) eligibility to all Washingtonians aged 18-24, whether they have children or not (a slightly narrowed version of Shewmake's SB 5249 last biennium).

Main Version
of Taxpayers: 60,000
FY26: -\$48M
FY27: -\$28M
FY28: -\$23M
FY29: -\$21M

Renters Credit and Primary Residence Property Tax Exemption

New property tax exemption for a taxpayer's primary residence (this is essentially revenue neutral because it is a tax shift) and a new tax credit for renters, to account for the share of property taxes that they pay, through a \$300 addition to the WFTC (similar to Robinson's SB 6249 & SB 6250 last biennium).

Main Version
of Taxpayers: 250,000
FY26: -\$67M
FY27: -\$66M
FY28: -\$65M
FY29: -\$63M

Margins Tax (Replacing B&O Tax)

Replaces Washington State's B&O tax with a margin tax, a modified gross receipts tax allowing a business to choose one of 4 major deductions before tax is calculated (Cost of Goods Sold, Cost of Labor, \$1 million, or 30% of revenue), and repealing most B&O exemptions (similar to Frame's SB 5482 last biennium).

Main Version
Designed to be revenue neutral, but can be dialed to be revenue positive