

Tax Menu

SPECIAL!
Unconstitutional
income tax
"only" \$3.2B
per year

Property Taxes

Property Tax Levy Lift 😞 HB 2116
Increases the cap from \$1,250 to \$1,500 on a \$500,000 home

Property Tax Increase **PASSED** 😞 SB 5709
Increases county tax authority to increase property taxes

Property Tax Increase **PASSED** 😞 SB 6294
Allows local governments to increase property taxes - PASSED AS HB 2442

Tax on Home Buying **PASSED** 😞 HB 2089
Subjects large mortgage lenders to Washington's B&O tax

Sales Taxes

Cultural Access Sales Tax 😞 HB 2194
Authorizes a sales tax increase for cities/counties for access to cultural programs

Bag Tax 😞 SB 5695
Bans plastic bags and increases the charge per paper bag to 20 cents

Short-term Rental Tax 😞 SB 5576
Allows cities/counties to impose a 6% tax on short-term rentals

Tire Fee 😞 SB 6119
\$3 to \$6 fee per tire and seller can't tell the buyer about it or list it on the receipt

Even More Taxes

Health Insurers Tax **PASSED** 😞 SB 6182
Charges a per person tax for all health plan enrollees to fund an abortion savings account

Health Insurance Tax 😞 HB 2626
Increases the tax on health insurance premiums by 50% 🧠

Hospital Tax 😞 SB 5638
Imposes 7.5% tax on compensation at non-profit hospitals for those making a certain income

Job Killer Tax 😞 SB 6229
Applies capital gains tax to small business stock options exempt from federal tax

Tech Job Tax 😞 SB 5400
Increases tax cap on advanced computing to finance local journalism

Health Insurers Tax **PASSED** 😞 HB 2487
ANOTHER tax on health insurance providers

Social Media Tax 😞 SB 5799
Applies a 0.4% tax on social media platforms

Cell Phone Media Tax 😞 HB 2579
Adds 20 cents per line to fund a public media broadcast program

Prescription Drug Tax **PASSED** 😞 SB 6228
Removes a tax exemption for prescription drug warehousing

Cigarette/Vape Tax 😞 SB 6129
Raises cigarette tax from \$3 per pack to \$5, plus adds a 10% tax on flavored nicotine products

Nutritional Information

Serving Size: 1 Legislative Session

- **Revenue Projection:** \$3.2 billion annually
- **Primary Ingredient:** 9.9% income tax on earnings above \$1 million
- **Active Additives:** expanded taxation of investment income and capital gains
- **Potential Side Effects:**
 - capital flight
 - reduced investment
 - relocation of high-income taxpayers and businesses
 - revenue estimates that may not meet projections

Note: Revenue estimates assume taxpayers remain in Washington.

! Chef's Warning

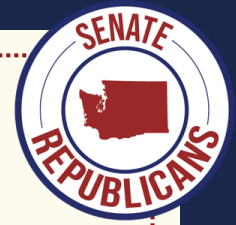
Allergy Alert: The "special" dish contains a 9.9% income tax on earnings above \$1 million and may trigger adverse reactions including investor relocation, business departures, and capital flight. In other states where similar ingredients were used, taxpayers developed a strong sensitivity to high tax rates and relocated to states with lower ones. **Consumption will reduce expected revenue projections.**

Taxes are subject to increases in 2027.

Bon appétit!



Is Washington's tax code overly regressive?



The Claim

For years, Democrats have claimed that Washington's tax code is either first or second-most regressive among all 50 states, as though it is an undisputed fact.

Why the Claim is Misleading

It relies on advocacy-driven assumptions

The study the Democrats cite the most was done by the Institute on Taxation and Economic Policy. They are an open advocate of income taxes and admit their bias.

Their models:

- Assume all consumption taxes are borne entirely by consumers
- Minimize the impact of public services and transfers
- Ignore behavioral and economic effects

In 2025, the National Bureau of Economic Research published a study **placing Washington closer to the middle nationally (23rd)**, not an extreme outlier. Two experts from the Federal Reserve and a pair of economics professors (Princeton University/University of Minnesota) conducted the research.

"Regressive" on paper ≠ unfair in practice

Washington's system emphasizes stability, transparency, and opportunity:

- No personal income tax → no penalty for overtime, promotions, or second jobs
- More predictable revenue during economic downturns
- Voters can directly see, evaluate, and influence tax policy

Fairness includes how a system affects mobility, not just percentages in a spreadsheet.

Proposed "fixes" don't solve regressivity

If regressivity were truly the problem, proposals would be comprehensive. Instead, reforms are narrow:

- Income taxes that start "on the rich" but structurally expand
- Modest Working Families Tax Credit tweaks that don't offset rising costs

These approaches add complexity without addressing the underlying affordability pressures families face.

Cost of living matters more than tax labels

In 2025 alone, the majority led the passage of tax and fee increases that make life less affordable for all families. Lower-income households are most affected by:

- Housing shortages
- Energy mandates
- Transportation costs
- Regulatory compliance embedded in prices

Raising or redistributing taxes does not fix affordability if policy continues driving up daily costs.

The Bottom Line

Washington's real affordability challenges stem from policy decisions that raise the cost of living—not from the absence of an income tax.