A Modern Working Families Tax Credit: 
*Balance the tax code and promote financial stability for working people*

**What is the Working Families Tax Credit?**
The Working Families Tax Credit is Washington state’s version of the federal Earned Income Tax Credit (EITC), which provides an income boost to working people in the form of a tax refund. For those who qualify, the Working Families Tax Credit would be a meaningful amount of money back into their pockets to help them make ends meet. Washington, can build on the success of the federal EITC by modernizing the definition of work and including people who work hard but are excluded from the EITC – like immigrants, caregivers, and young workers without kids.

**WIDESPREAD POSITIVE IMPACTS**
The Working Families Tax Credit would reach close to 1 million tax filers – nearly 30% of the population.

- **$350 average income boost**
- **$970 maximum credit**
- **967,000 households**

**HOW TO MODERNIZE THE CREDIT:**
- Increase state match to 15% of EITC
- Expand to workers age 19 and up who do not have children
- Expand to immigrant workers
- Expand to low-income college students
- Expand to family caregivers of children under 6, adults over 70, or adults with disabilities

It builds on the federal Earned Income Tax Credit, a proven success at:
- Boosting financial security and asset building, especially in families with children
- Driving local economic growth, particularly in rural areas
- Supporting work and growing wages, especially for working moms
- Promoting better educational and health outcomes for babies and kids
- Improving racial equity by beginning to redress the impacts of systemic racism
THE WORKING FAMILIES TAX CREDIT IS TARGETED TO HELP REBALANCE THE TAX CODE FOR WORKING PEOPLE

Share of state spending on total Working Families Tax Credits by income group, 2018

A tax break for low- and moderate-income workers is the best tool to rebalance the tax code for those at the bottom and middle — who pay up to **6 times more** in state and local taxes as a share of income than the top 1 percent.

The Working Families Tax Credit is the best way to target tax breaks to help working people keep more of what they earn.

Across-the-board sales and property tax cuts prioritize the wealthiest:

**Cutting property taxes benefits the wealthiest more than everyday workers**

Share of property tax cut by income group, 2018

**A large portion of a sales tax cut would likewise be wasted on the wealthiest**

Share of sales tax cut by income group, 2018

For more information, contact Misha Werschkul (mishaw@budgetandpolicy.org).