

## It's time to Balance Our Tax Code!

# 2022 LEGISLATIVE PLATFORM

In Washington, we define ourselves by who we are and how we treat each other, not by what we look like or what's in our wallets. But for decades, politicians of our past, wealthy corporations, and the powerful few have designed and maintained a tax code that allows them to build unimaginable amounts of concentrated wealth that they are able to live on, support their families with, and pass to their descendents nearly tax-free, while the rest of us foot the bill for what government provides to the communities where we all live.

This system has compromised the financial well-being and wealth building power of Black, Indigenous, and other people of color (BIPOC) communities, working people, and small business owners. The COVID-19 health and economic crises have magnified those existing and deeply rooted inequities - and the consequences are far from over. In 2021, one-in-ten households and one-in-three small businesses were behind on rent. One-in-three Washingtonians went hungry. Meanwhile, Washington's 19 billionaires sat back and watched their wealth grow by 56%.

In the 2021 session, we took some great steps towards balancing our tax code with the passage of a capital gains tax and a working families tax credit. But there's still work to do. Our lowest-income residents are still paying the highest share of their income in taxes, while the wealthiest pay the least. Our tax code is still the most upside-down in the nation. That's why we've come together to hold state elected leaders accountable for building an equitable tax system that ensures opportunity for all Washingtonians, no exceptions.

## Policies We Support

**Balance Our Tax Code supports a broad set of policies that align with our vision of a more just and equitable state tax code, such as:**

**HB 1406 and SB 5426: Tax on Excessive Wealth:** a new 1% tax on the value of stocks, bonds, and other intangible assets over \$1 billion.

**HB 1465: Make the Estate Tax More Progressive:** eliminate the estate tax for smaller estates while raising the rates for higher valued estates.

BOTC recognizes that other revenue proposals are being developed for the 2022 legislative session and the above list may change. We broadly stand in support of new, progressive revenue and legislation that aligns with our values and evaluation criteria such as:

### Renters Credit:

provide tenants with direct cash rebates that serve to offset the costs of property taxes passed along by landlords and other factors that contribute to growth in housing costs.

### Inheritance Tax:

a tax on intergenerational wealth that contributes to the massive racial disparity in wealth in Washington.

### Corporate Compensation Tax:

A payroll tax on high income earners to ensure that thriving corporations in Washington invest back into the communities they rely on.



# Our Guiding Policy Principles

## Policy Evaluation Criteria

In the 2022 state legislative session, we will evaluate tax policy proposals using the following questions:

1. Does the proposal align to and advance the principles outlined above?
2. Was the policy proposal developed in consultation with those most impacted by Washington's upside-down tax code, including families with low-incomes, Black, Indigenous, and other people of color, and immigrants and refugees?
3. Will the proposal have unintended consequences for Black, Indigenous, and other communities of color, low-income workers, or small businesses?
4. Will revenue generated by this proposal be invested in needs identified by low-income and Black, Indigenous, and other communities of color?

## Budgets Are Moral Documents

The state budget is not just about numbers and spreadsheets; it matters on whose backs the budget is balanced. We believe in a balanced budget that invests equitably across all communities of our state and we believe everyone should pay their share.

## Economic Justice

Tax policies should reduce the impact of our upside-down tax code on Black, Indigenous, and other people of color, and other low-income households most impacted by the COVID-19 public health and economic crises. Policies should create new, robust investments in the things we all rely on, like vibrant schools where our kids learn, roads we drive on, and buses we take to work.

## Progressivity

Tax policies should ensure that those who are doing well in Washington do right by Washingtonians. Those with more income and wealth should contribute a larger share of their resources to support public investments than those with less.

## Invest in the Future

Our tax system should raise new revenue over the long-term to bolster and sustain public investments as well as build reserves for future economic downturns.

## Racial Equity

Tax policies should proactively create equitable access to a high quality of life and resources for communities of color — especially Black, Indigenous, and Latin/x communities.



Balance Our Tax Code is Washington's longest standing revenue coalition with more than 80 labor unions, non-profits, immigrant rights advocates, human service providers, and more. Our vision is a more just and equitable tax code for Washington state that creates a strong future where communities have the resources they need to thrive.

