

HB 1406 & SB 5426

Wealth Tax on the Ultra-Wealthy

No matter what we look like, where we come from, or how we make a living, most of us pitch in for each other and hope to leave things better off for those to come.

But right now, Washingtonians with excessive wealth are not pitching in their share of taxes and, as a result, our communities are pitted against one another based on where we live and what's in our wallets. We shouldn't have to fight over the critical services and infrastructure that make for healthy neighborhoods. Over the years, some politicians designed a tax code that has our lowest income residents paying 17% of their income in state and local taxes, while the wealthiest pay 3% or less.

This upside-down tax structure coupled with a near two-year global pandemic has fueled a spike in income and wealth inequality that has further starved the residents of our cities and towns of the resources they need to recover from this crisis. Some of Washington's powerful and wealthiest know this, yet they work to roll back progress so they will not be required to pay what they owe to the communities where they also work, live, and play.

That's why we're coming together to demand our legislators pass a small tax on excessive wealth above **\$1 billion.**

“wealth tax would raise \$2.5 billion per year”

If implemented today, around 100 ultra-wealthy Washingtonians would pay the wealth tax.

The first \$1 billion of a person's financial intangible assets would be exempt; above \$1 billion, assets would be taxed uniformly at 1%, consistent with our state's constitution. There is not currently a state or federal tax on these assets.

The excessive wealth tax would raise \$2.5 billion per year and could fund public programs most of us rely on like public education, health care, child care, and programs that support families economic well-being. This shift to investing in the people who work and live here - instead of rewarding passive financial growth - has been shown elsewhere to spur innovation and long-term economic growth.

For most of us, our only path to building wealth is to buy and sell real property, which is already taxed in Washington. A tax on financial intangible assets - the passive wealth building tool of the ultra-rich - is a critical component of making our tax code more equitable. When we join together to rewrite the rules,

like we did when we passed a capital gains tax in 2021, we can ensure that this place we call home has the world class schools, affordable health care and child care, and the community services our families need to recover from the pandemic and thrive into the future.