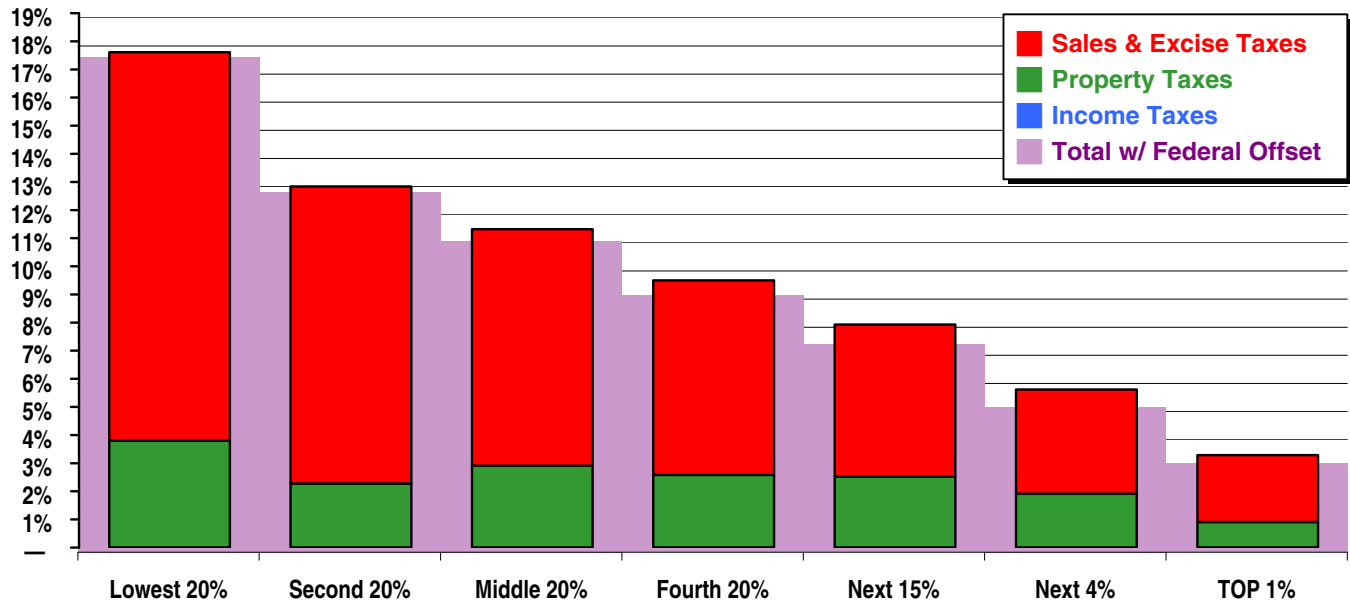


# Washington

## State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$17,000	\$17,000 – \$31,000	\$31,000 – \$48,000	\$48,000 – \$75,000	\$75,000 – \$143,000	\$143,000 – \$922,000	\$922,000 or more
Average Income in Group	\$9,600	\$23,200	\$38,500	\$60,000	\$98,700	\$225,100	\$1,655,400
<b>Sales &amp; Excise Taxes</b>	<b>13.8%</b>	<b>10.6%</b>	<b>8.4%</b>	<b>6.9%</b>	<b>5.4%</b>	<b>3.7%</b>	<b>2.4%</b>
General Sales—Individuals	4.7%	4.0%	3.3%	2.8%	2.2%	1.5%	0.8%
Other Sales & Excise—Ind.	4.1%	2.7%	2.0%	1.6%	1.2%	0.8%	0.4%
Sales & Excise on Business	5.0%	3.9%	3.1%	2.5%	2.0%	1.4%	1.2%
<b>Property Taxes</b>	<b>3.8%</b>	<b>2.3%</b>	<b>2.9%</b>	<b>2.6%</b>	<b>2.5%</b>	<b>1.9%</b>	<b>0.9%</b>
Property Taxes on Families	3.7%	2.2%	2.8%	2.5%	2.4%	1.6%	0.5%
Other Property Taxes	0.1%	0.1%	0.1%	0.1%	0.1%	0.3%	0.4%
<b>Income Taxes</b>	—	—	—	—	—	—	—
Personal Income Tax	—	—	—	—	—	—	—
Corporate Income Tax	—	—	—	—	—	—	—
<b>TOTAL TAXES</b>	<b>17.6%</b>	<b>12.8%</b>	<b>11.3%</b>	<b>9.5%</b>	<b>7.9%</b>	<b>5.6%</b>	<b>3.3%</b>
Federal Deduction Offset	-0.0%	-0.0%	-0.3%	-0.4%	-0.5%	-0.4%	-0.1%
<b>TOTAL AFTER OFFSET</b>	<b>17.6%</b>	<b>12.8%</b>	<b>11.1%</b>	<b>9.1%</b>	<b>7.4%</b>	<b>5.2%</b>	<b>3.2%</b>

Note: Table shows 2002 tax law at 2000 income levels.

# Washington Details

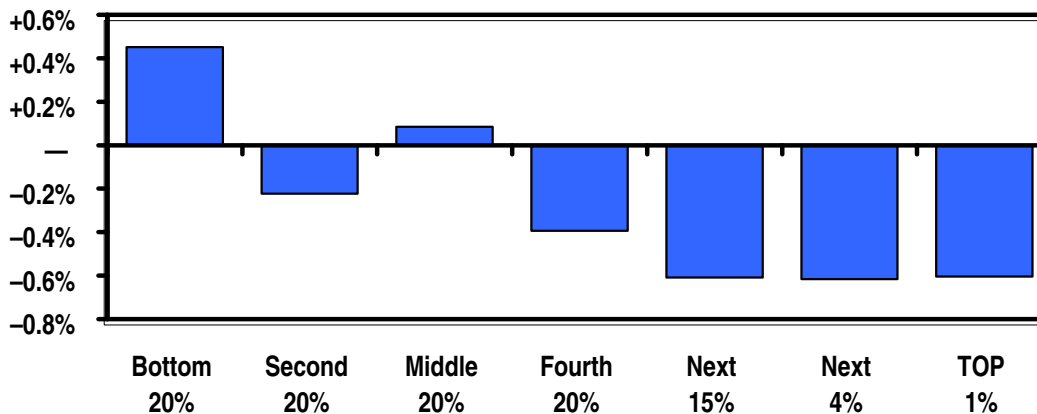
## Progressive Features



## Regressive Features

- ✗ No income taxes
- ✗ High reliance on sales tax
- ✗ Fourth highest cigarette tax nationwide

Changes in Tax as Share of Income, 1989 - 2002

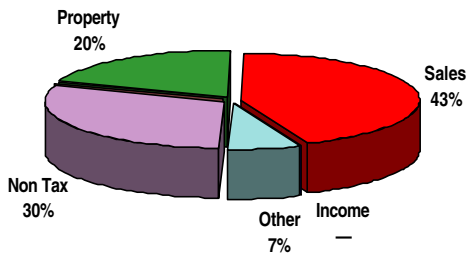


	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
<b>Sales &amp; Excise</b>	-0.0%	-0.4%	-0.4%	-0.3%	-0.3%	-0.2%	-0.1%
<b>Property</b>	+0.5%	+0.1%	+0.6%	+0.0%	-0.2%	-0.5%	-0.6%
<b>Income</b>	—	—	—	—	—	—	—
<b>Federal Offset</b>	+0.0%	-0.0%	-0.1%	-0.1%	-0.1%	+0.1%	+0.1%
<b>Overall Change</b>	+0.5%	-0.2%	+0.1%	-0.4%	-0.6%	-0.6%	-0.6%

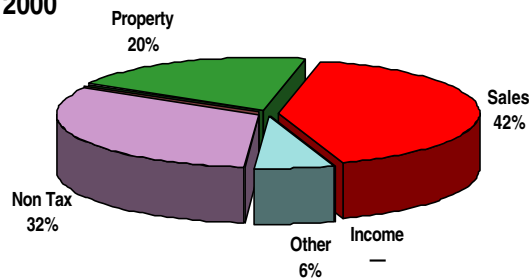
Washington has increased its cigarette tax by \$1.09 per pack since 1989. The repeal of the 2.2 percent vehicle license represented a slightly progressive, yet expensive, tax cut. Since the state has no income tax and consumption taxes are the major source of funding for government services, these changes collectively made the nation's most regressive tax system even more burdensome for the lowest income Washingtonians.

## Composition of Revenues

1989



2000



Source: Government Finances, US Department of Census