

In first year of capital gains tax, 84% of the tax revenue came from wealthy households in King County

The capital gains excise tax is a critical source of funding for child care, early learning, and school construction across the state. In fact, in just its first year (2023), the tax raised nearly \$900 million in revenue by asking the wealthiest 0.2% of people in Washington, largely from King County, to pay a modest 7% tax on Wall Street profits above \$250,000 per year.^{1,2} The largest ten payments alone totaled roughly \$502.3 million in tax revenue.³ While the tax taps wealth that is concentrated predominantly in the hands of a few in King County, these resources help to ensure a brighter future for kids across Washington.

The capital gains excise tax taps wealth concentrated in King County to fund critical programs across the state.



1. Washington State Department of Revenue, Net Capital Gains Tax Payments, 2024, <https://dor.wa.gov/taxes-rates/other-taxes/capital-gains-tax/net-capital-gains-tax-payments>
2. Washington State Department of Revenue, Capital gains tax, <https://dor.wa.gov/taxes-rates/other-taxes/capital-gains-tax>
3. Washington State Department of Revenue, Capital gains tax payments summary, 2024, https://dor.wa.gov/sites/default/files/2024-01/CapitalGainsTax_SummaryStats.xlsx

Wealthy households in king county paid 84% of statewide capital gains excise tax revenue in 2023

Capital gains excise tax revenue for 2023 by county and region

County or Region	Number of Returns	Average Tax Payment	County Share of Total Tax Payment	Total Tax Revenue Collected in 2023
Benton	31	\$252,497	0.87%	\$7,827,406
Chelan	27	\$42,830	0.13%	\$1,156,402
Clallam	16	\$34,709	0.06%	\$555,351
Clark	166	\$154,137	2.86%	\$25,586,744
Cowlitz	12	\$39,911	0.05%	\$478,929
East Central region	11	\$9,920	0.01%	\$109,115
Island	38	\$66,504	0.28%	\$2,527,161
Jefferson	14	\$33,437	0.05%	\$468,114
King	2,529	\$295,956	83.52%	\$748,472,079
Kitsap	115	\$77,609	1.00%	\$8,925,014
Kittitas	16	\$38,323	0.07%	\$613,169
Klickitat	9	\$159,545	0.16%	\$1,435,905
Northeast region	18	\$72,311	0.15%	\$1,301,600
Pierce	139	\$71,507	1.11%	\$9,939,457
San Juan	22	\$92,908	0.23%	\$2,043,972
Skagit	45	\$19,828	0.10%	\$892,253
Snohomish	230	\$129,438	3.32%	\$29,770,797
South central region	10	\$69,499	0.08%	\$694,992
Southeast region	12	\$63,725	0.09%	\$764,701
Spokane	105	\$75,967	0.89%	\$7,976,582
Thurston	59	\$92,671	0.61%	\$5,467,568
Walla Walla	9	\$78,408	0.08%	\$705,668
Whatcom	61	\$196,425	1.34%	\$11,981,895
Yakima	40	\$59,000	0.26%	\$2,359,986
Western region	11	\$39,804	0.05%	\$437,840
Out of state	150	\$157,449	2.64%	\$23,617,280
All Returns	3,895	\$230,067	100%	\$896,109,981

Source: Washington State Budget and Policy Center calculations using Washington State Department of Revenue, Capital gains tax payments summary, 2024, https://dor.wa.gov/sites/default/files/2024-01/CapitalGainsTax_SummaryStats.xlsx

