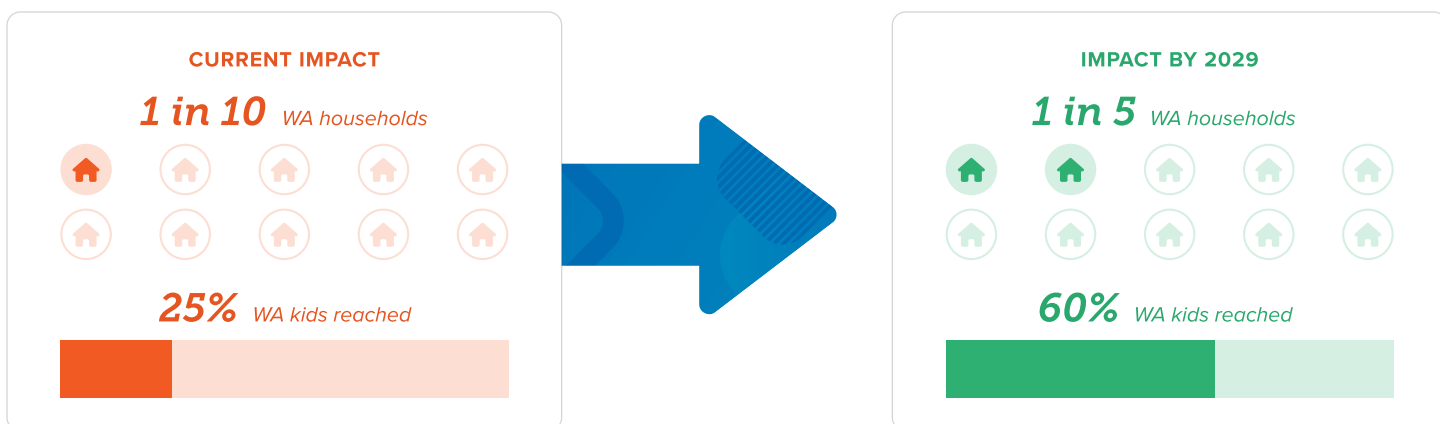


Who will benefit from the new expansions to the Working Families Tax Credit?

Thanks to the Millionaires Tax, more young adults, seniors, and people with moderate incomes will receive a tax rebate

The Millionaires Tax funds significant expansions to our state’s Working Families Tax Credit (WFTC), an annual tax rebate of up to \$1,330. Beginning in 2029, an estimated 460,000 more households will qualify for the WFTC, in addition to the 350,000 households that are currently eligible. This means the tax credit could reach a total of 810,000 households, or over 1 in 5 households in Washington. In addition, over 570,000 more children could benefit from the credit.¹ In other words, the program could cover over 60% of all kids in Washington, up from about 25%.



The expansion of the WFTC will benefit:



Young adults and seniors without kids at home

The expansion removes an age restriction on households without dependents and allows all 18 to 24-year-olds and people aged 65 and older to qualify for the credit if they meet the income requirements.



More households with lower and middle incomes

The expansion raises the income eligibility to match the state’s Need Standard, a comprehensive measure of the cost of living set annually by the Department of Social and Health Services. This means a cash boost for households who are struggling to meet their basic needs but currently don’t qualify because they make more than the income limit. Also, households that currently make close to the income limit and receive a reduced credit will soon be able to receive the maximum credit due to the higher income limits.

Examples of households that will benefit from the expansions to the Working Families Tax Credit

Low-income young adults, including those exiting foster care and those supporting themselves while going to school

- ▶ A 22-year-old in Tacoma who just exited foster care and is applying for college. She has been working as a food delivery driver and made \$28,000 last year. With the new income limits and the removal of the age restriction, she can receive \$335 back, which she can use for some car repairs.
- ▶ A 20-year-old Eastern Washington University student in Cheney who makes \$15,000 a year working part-time as a waiter to help cover tuition and basic needs. He receives no financial support from his family and is taking on debt to cover the rest of his expenses. With the removal of the age restriction, he can receive \$335 back to help cover some costs of groceries and gas.

Seniors living on low incomes

- ▶ A 66-year-old grandma in Spokane, who helps take care of her grandkids during the week and makes a little money on the side at her home-based hair salon, which brings in about \$10,000 a year. With the removal of the age restriction, she can receive \$335 to help cover her out-of-pocket prescriptions.
- ▶ A married couple, aged 69 and 70, living in Olympia. One is retired and her spouse is semi-retired and occasionally works as a rideshare driver. Last year he made \$21,000. With the new income limits and removal of the age restriction, he can get \$335 back, which they can use for small home modifications so that they can continue to live independently.

Working-class families struggling to get by

- ▶ A single dad with an 8-year-old, making \$65,000 a year as a King Country Metro bus driver. Under the new income limits, he can get a credit of \$660 to help cover food expenses for the whole month.
- ▶ A married couple living in Vancouver with their two kids, a middle schooler and a high schooler. Both parents work full-time, one as a grocery store worker and the other as a mechanic. Their annual household income is \$100,000. With the new income limits, this family can get a rebate of \$995 to help pay for the kids' music lessons and sports teams.
- ▶ A married couple in Walla Walla with three kids in elementary school, with a combined income of \$77,000. One parent works as a customer service representative and makes \$52,000 a year, and the other is a part-time childcare worker making \$25,000. With the new income limits, this family can get a rebate of \$1,330 to help cover summer camp costs for their kids.

BY THE NUMBERS

The WFTC expansion will send a cash boost to support an additional:



460,000

Households



160,000

Young adults



70,000

Seniors



570,000

Children

People working full time at minimum wage jobs






- ▶ A 25-year-old in Anacortes working full-time in food service and making minimum wage. They make just over \$35,000 a year and currently do not qualify for the credit. Under the increased income limits, they can qualify for a credit of \$335, which they can use to cover their asthma medication.
- ▶ A married couple in Yakima with a 10-year-old. They both work full-time in retail and earn minimum wage. Combined, they make just over \$71,000 a year. Under the previous income limits, they would not have qualified for the credit. With the new income limits, they can receive a credit of \$660, which they can use to cover their utilities for the month.

Households that currently qualify but receive a reduced credit because they make close to the income limit

- ▶ A single parent to a 12-year-old who works as a construction worker in Everett. He was recently promoted to a manager position and his income went up from \$49,000 to \$65,000. He received a reduced credit of \$185 this year and would be ineligible for the credit next year with the current income limits. Thanks to the new income limits, he can receive the maximum credit of \$660 to help pay for their phone and internet bill for several months.
- ▶ A single mom of a 5-year-old and an infant who left her spouse after escaping domestic violence. Last year she made \$56,000 at her job as an administrative assistant, qualifying her for a reduced credit of \$280. With the new income limits, she can receive the maximum credit of \$995 to help pay for diapers, formula, and other essentials for her two young kids.

The Washington State Budget and Policy Center is a research and policy organization that works to advance economic justice for everyone in Washington.

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New Working Families Tax Credit income limits will expand the credit to more moderate-income households

Number of dependents	SINGLE/HEAD OF HOUSEHOLD/ MARRIED FILING SEPARATELY		MARRIED FILING JOINTLY		MAXIMUM CREDIT
	Current WFTC income limit	New income limit	Current WFTC income limit	New income limit	
0	\$19,104	\$45,792	\$26,214	\$72,528	\$335
1	\$50,434	\$72,528	\$57,554	\$89,196	\$660
2	\$57,310	\$89,196	\$64,430	\$114,948	\$995
3+	\$61,555	\$114,948	\$68,675	\$137,772	\$1,330

Note: Income limits refer to household income. The new income limits use the Washington State Need Standard, a cost-of-living measure set annually by the Department of Social and Health Services. The Need Standard provides a more accurate measure of what people need to meet their basic needs compared to the federal poverty level. The new income limits are part of the in the Millionaires Tax (ESSB 6346) that lawmakers passed during the 2026 legislative session.

SOURCE: Washington State Department of Revenue, <https://workingfamiliescredit.wa.gov/eligibility>; Washington Administrative Code 388-478-0015.

Endnotes:

1. Analysis provided by the Washington State Department of Revenue, May 2026.

