

A MODERN WORKING FAMILIES TAX CREDIT

Promoting financial stability and improving well-being for Washingtonians

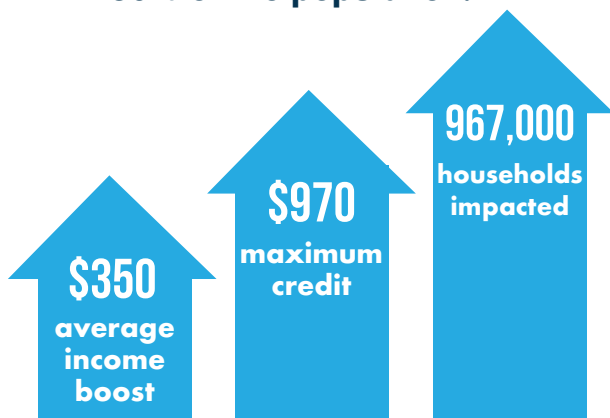
WHAT IS THE WORKING FAMILIES TAX CREDIT?

The **Working Families Tax Credit** is Washington state's version of the federal Earned Income Tax Credit (EITC), which **provides an income boost to working people in the form of a tax refund.**

For those who qualify, the Working Families Tax Credit would be a meaningful amount of money back into their pockets to help them make ends meet. Washington can build on the success of the federal EITC by modernizing the definition of work and including people who work hard but are excluded from the EITC – like immigrants, caregivers, and young workers without kids.

WIDESPREAD POSITIVE IMPACTS

The Working Families Tax Credit would reach close to **1 million Washington** tax filers – **30% of the population.**



HOW WE MODERNIZE THE CREDIT:

- » Increase state match to 15% of EITC
- » Expand to workers age 19 and up who do not have children
- » Expand to immigrant workers filing with an Individual Taxpayer Identification Number (ITIN)
- » Expand to low-income college students
- » Expand to family caregivers of children under 6, adults over 70, or adults with disabilities

BUILDING ON THE PROVEN SUCCESS OF THE FEDERAL EITC, THE WORKING FAMILIES TAX CREDIT WOULD:



Help Washington students succeed.

Kids in families receiving the federal EITC are more likely to have higher test scores and more likely to graduate high school.



Make Washington communities healthier.

The EITC has been shown to provide improved maternal and infant health outcomes for single mothers, among others.



Advance racial equality in Washington.

Because of historically racist policies, people of color are more likely to face barriers to wealth. The EITC is a proven anti-poverty tool and reduces racial wealth disparities.

THE WORKING FAMILIES TAX CREDIT TARGETS BENEFITS TO THOSE MOST IMPACTED BY WASHINGTON'S REGRESSIVE TAX CODE.

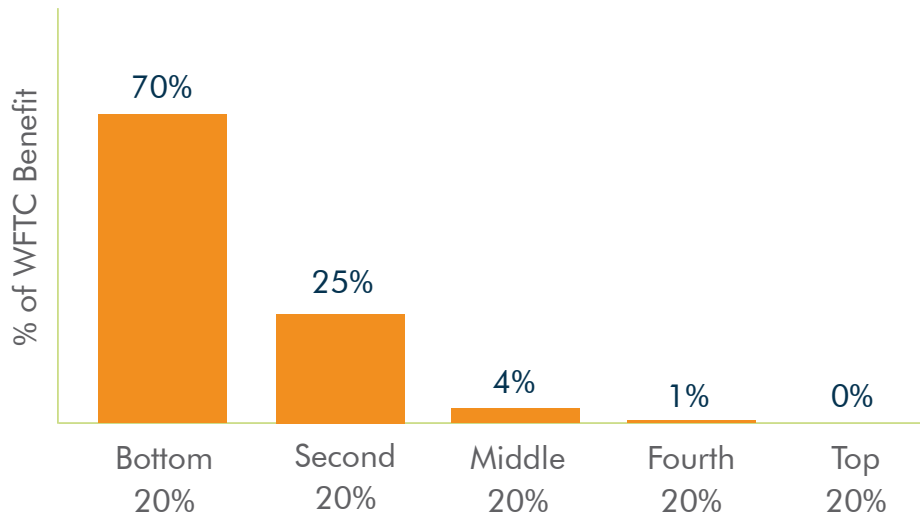
In Washington, households with the lowest incomes pay 17.8% of their annual income in state and local taxes – compared to the highest income households, who pay just 3%.

The Working Families Tax Credit Coalition is made up of over 35 partners across Washington state, including:



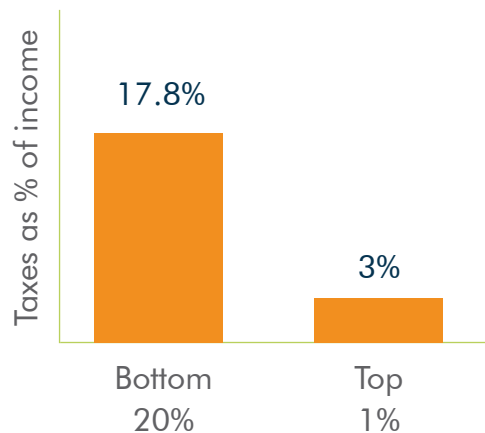
THE WORKING FAMILIES TAX CREDIT BENEFITS LOW- AND MODERATE-INCOME HOUSEHOLDS IN WASHINGTON

Share of state spending on total Working Families Tax Credits by income group, 2018



HOUSEHOLDS EARNING THE LOWEST INCOMES PAY THE HIGHEST SHARE OF INCOME IN STATE AND LOCAL TAXES

Washington state and local taxes by share of annual income by group, per Institute on Taxation and Economic Policy, 2018



For more information, contact Emily Vyhnanek at emilyv@budgetandpolicy.org.