

# Capital gains tax opponents seek massive tax break for King County's ultra-wealthy

Families across Washington will gain more access to affordable child care, children will see their school buildings improve, and educators' incomes will catch up to the rising cost of living if the wealthiest residents pay what they owe in state capital gains taxes. The tax, which requires the wealthiest 0.2% of Washingtonians to pay a modest amount on wall street profits above \$250,000 per year, generates over \$500 million annually for education programs that support a brighter future for our kids. Yet anti-tax organizations and some lawmakers want to repeal the tax and divert huge sums of funding away from communities across the state and into the pockets of the ultra-wealthy. If they succeed, the wealthiest King County residents – whose incomes average \$3.8 million annually – would claim more than *two-thirds* of the tax break. (See map below and table on next page).



County or Region	Average annual incomes of households receiving tax cut	Number of households receiving tax cut	Share of households receiving tax cut	Share of total statewide tax cut
Benton	\$2,147,849	82	0.1%	0.9%
Chelan	\$2,119,480	74	0.2%	0.4%
Clallam	\$1,862,093	38	0.1%	0.3%
Clark	\$3,588,744	412	0.2%	7.5%
Franklin	\$4,466,284	32	0.1%	1.0%
Grant	\$1,353,607	39	0.1%	0.3%
Island	\$1,369,124	94	0.2%	0.4%
Jefferson	\$1,670,980	38	0.2%	0.2%
<b>King</b>	<b>\$3,796,491</b>	<b>4791</b>	<b>0.4%</b>	<b>66.3%</b>
Kitsap	\$2,223,773	244	0.2%	2.3%
Kittitas	\$1,419,487	31	0.1%	0.2%
Klickitat	\$1,103,626	36	0.3%	0.2%
Lewis	\$1,204,405	30	0.1%	0.1%
Mason	\$1,075,394	26	0.1%	0.1%
Northeast region	\$3,953,703	58	0.1%	1.1%
Pierce	\$2,124,042	478	0.1%	3.9%
San Juan	-\$996,258	77	0.8%	0.9%
Skagit	\$1,474,057	119	0.2%	0.6%
Snohomish	\$1,943,300	571	0.1%	4.4%
Southeast region	\$5,913,103	81	0.1%	2.1%
Southwest region	\$1,805,015	63	0.1%	0.4%
Spokane	\$1,684,672	276	0.1%	1.8%
Thurston	\$2,376,251	158	0.1%	1.7%
Whatcom	\$1,705,940	194	0.2%	1.3%
Yakima	\$3,023,877	129	0.1%	1.6%
<b>Statewide</b>	<b>\$2,176,362</b>	<b>8,171</b>	<b>0.2%</b>	<b>100.0%</b>

Source: Source: Washington State Budget & Policy Center calculations; data from the Washington State Department of Revenue, "Capital Gains Return Counts and Net Tax Stratified on County or Region for Tax Year 2022 - ESSB 5096 as passed the Legislature," May 27, 2021.

The Northeast region includes Douglas, Ferry, Lincoln, Okanogan, Pend Oreille, and Stevens counties. The Southeast region includes Adams, Asotin, Columbia, Garfield, Walla Walla, and Whitman counties. The Southwest region includes Cowlitz, Grays Harbor, Pacific, Skamania, and Wahkiakum counties.

