

Washington state will provide cash to households

Here's what you need to know:

- ✓ Annual cash payments of \$50 - \$1,200 are available
- ✓ Single filers are eligible
- ✓ Immigrants are eligible, regardless of status

The Working Families Tax Credit launches in 2023!

As a result of efforts by advocates, the Washington state legislature approved and funded the Working Families Tax Credit, an annual payment of up to \$1,200 for more than 400,000 Washington state households with low and moderate incomes.

The credit will make a big difference for people statewide



400,000+ households are eligible for this cash

For households across Washington, the impact of the Working Families Tax Credit will be monumental. Especially when combined with the federal Earned Income Tax Credit, this cash boost will help families pay for basic needs, like rent, groceries, and unexpected emergencies.



33,000 Individual Taxpayer Identification Number (ITIN) filers are included

Taxpayers who use an ITIN, including undocumented immigrants, are wrongly excluded from federal supports like the Earned Income Tax Credit. Including them in the Working Families Tax Credit is one step toward making sure all community members can benefit from the taxes they pay.



One in three kids will benefit

Over 573,000 children in Washington, or 31% of kids, live in households that are eligible for the credit. Cash boosts like the Working Families Tax Credit and the Earned Income Tax Credit are linked to higher math and reading scores¹ among elementary and middle school students, and children in families that receive these credits are also more likely to graduate high school on time.²

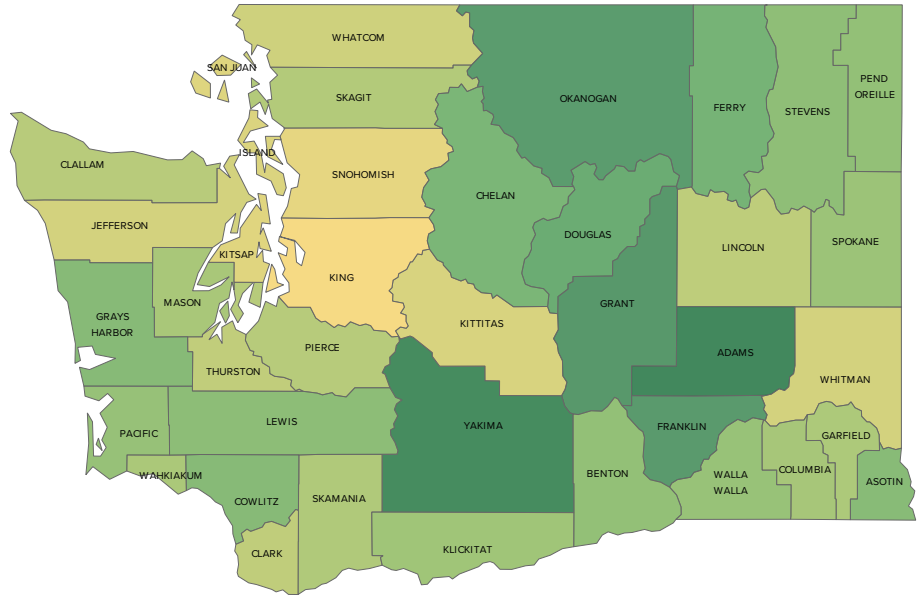
Because of historical and persistent policies that prevent communities of color from building wealth, Black, Indigenous, and People of Color households are more likely to have lower incomes. As a result, BIPOC households will see a significant positive impact from the credit. **They make up 36% of eligible households in comparison to being 25% of the overall population.**³



Many Central and Eastern Washington counties will see big impacts

Percentage of households that will receive the Working Families Tax Credit by county

The six counties with the highest percentage of eligible households are Yakima and Adams (both with 22%), and Okanogan, Grant, and Franklin (each with 19%). As the most populous county in the state, King County has the highest number of eligible households at 95,934.⁴



Estimated percentage of filers eligible for WFTC



Source: Washington State Department of Revenue data, May 2022

Eligibility

Who is eligible?

Eligibility for the Working Families Tax Credit is based on eligibility for the federal Earned Income Tax Credit, with one key addition: people who file their taxes with an ITIN are eligible for this state credit.

In order to be eligible, households will need to have:

- Made at least \$1 of earned income in the past year
- Filed federal taxes using either a Social Security Number (SSN) or Individual Taxpayer Identification Number.
- Lived in Washington state for at least 183 days in the previous calendar year.

How much will households receive?

Number of Qualifying Children	Annual income must be less than the following		Maximum Working Families Tax Credit amount
	Single	Married (filing jointly)	
0	\$16,480	\$22,610	\$300
1	\$43,492	\$49,622	\$600
2	\$49,399	\$55,529	\$900
3	\$53,057	\$59,187	\$1,200

Note: these income limits will increase slightly each year.

How much cash can people receive when the WFTC is combined with the Earned Income Tax Credit?



A two-parent household with three kids making \$55,000 a year will receive \$504 from the EITC plus \$1,200 from the WFTC – for a total boost of \$1,704.



A single-parent household making \$18 per hour with one kid will receive \$757 from the EITC plus \$600 from the WFTC – for a total boost of \$1,357.

Resources



The Working Families Tax Credit is administered by the Washington State Department of Revenue. People can check their eligibility and apply at [WorkingFamiliesCredit.WA.GOV](https://www.workingfamiliescredit.wa.gov).

The Washington State Budget & Policy Center is a research and policy organization that works to advance the economic well-being of all Washingtonians.

budgetandpolicy.org

 @budget_policy

 budgetandpolicy

 Channel: WA Budget & Policy



Working Families
Tax Credit Coalition

The Working Families Tax Credit Coalition has additional resources and information available for partner organizations at [WATaxCredit.org](https://www.wataxcredit.org).

VITA

Volunteer Income Tax Assistance (VITA) sites across Washington State can provide free assistance with Working Families Tax Credit applications. Find a VITA site in WA at irs.treasury.gov/freetaxprep, or get virtual free tax prep at [GetYourRefund.org](https://www.getyourrefund.org) or [MyFreeTaxes.com](https://www.myfreetaxes.com).

Endnotes:

1. Raj Chetty, John N. Friedman, and Jonah Rockoff. New Evidence of the Long-Term Impacts of Tax Credits. Statistics of Income Paper. November 2011. <https://www.irs.gov/pub/irs-soi/11rpchettyfriedmanrockoff.pdf>.
2. Bastian, Jacob, and Katherine Michelmore. The Long-Term Impact of the Earned Income Tax Credit on Children's Education and Employment Outcomes. Journal of Labor Economics, Volume 36, Number 4. October 2018. <https://www.journals.uchicago.edu/doi/abs/10.1086/697477?journalCode>
3. Analysis by the Institute on Taxation and Economic Policy
4. Data from the Washington State Department of Revenue, May 2022