



SENATE DEMOCRATS WASHINGTON STATE

- Washington's tax structure is overly reliant on sales tax, leading to boom and bust cycles for the state budget.
- More than **50 percent** of our overall revenue comes from sales tax.
- We are **one of only seven states** in the country that do not collect a state income tax.
- Two of the most important principles of a high quality state revenue system, as defined by the National Conference of State Legislatures, are **stability and a balanced variety** of revenue sources. We have neither, due to our overreliance on sales tax.
- Our overreliance on sales tax makes us especially vulnerable to recessions, which cause people to stop spending. An income tax, by contrast, maintains revenues during a recession because even if people cut spending they still receive paychecks.
- Different taxes are vulnerable to different economic dynamics. By spreading a third of our taxation over an income tax, and reducing our other forms of taxation proportionally, we would be more resilient and less impacted overall by a given economic condition.