

Millionaires Tax Passed!!

Taking a look at what's funded in the final bill.

WASHINGTON STATE
**BUDGET
& POLICY
CENTER**

Emily Vyhnanek, they/them
Washington State Budget and Policy Center
emilyv@budgetandpolicy.org

REMINDER: WHAT IS THE MILLIONAIRES TAX?

In the simplest terms:

Starting in 2029, the Millionaires tax is a 9.9% tax on household earnings over \$1 million per year. If you earn less than \$1 million per year, you are not going to pay this tax!

This new tax will bring in over \$3 billion annually to support critical supports and small businesses across our state.

REMINDER: WHO WILL PAY THIS TAX?

- Unless you are earning *OVER* \$1 million in a year, you are not going to pay this tax!
- Around **20,000 of the wealthiest individuals and households** in Washington state – **less than one percent** of our state's tax-filer population will pay this tax.
- Residents (all income) and non-residents (net amount of income that is derived from or connected with Washington).

BIG WINS IN THE FINAL MILLIONAIRES TAX:

- **Expands the Working Families Tax Credit, ensuring the annual cash boost will reach a total of 810,000 recipients (~20% of WA).**
 - Ensuring anyone 18 and older are eligible
 - Increasing all income eligibility levels to the State Needs Standard (a much more accurate measurement of what it takes to get by in our state)
- **Directs 5% of funds to go to Fair Starts for Kids** implementation, supporting affordable child care and early learning programs.
- **Fully exempts many household items from the sales tax**, things like personal care products, certain over the counter drugs, and diapers.

BIG WINS IN THE FINAL MILLIONAIRES TAX:

- **Fully free school meals** starting in 2029.
- **Dramatically expanding the support for ordinary small businesses** across the state:
 - **More than doubles the B&O small business tax credit** (which directly reduces a small business' B&O tax bill).
 - Raises the exemption level for the B&O tax for small businesses, meaning that starting in 2029, **businesses with less than \$250,000 in gross receipts won't pay B&O taxes.**
- **and more!**