

# **Education Funding Reform**

## **Amend the Constitution on the 2016 Ballot**

(SJR 8207 and SB 6114)

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### **➤ Lower Property Taxes by 20-30%**

- Eliminate the State Property Tax levy
- Lower the limit on total Local Regular Levies from 1% of assessed value to 0.7%
- Limit local school levies to no more than 15% of state basic education allocation
- Reset I-747 annual property tax growth cap to the lower of inflation or 3%

### **➤ Lower the State Sales Tax rate from 6.5% to 5.5%**

### **➤ Lower B&O Taxes:**

- Lower services businesses from 1.5% to 1.0%
- Set other businesses at Boeing's B&O tax rate 0.29%
- Small businesses credit B%O tax payments against their individual income tax

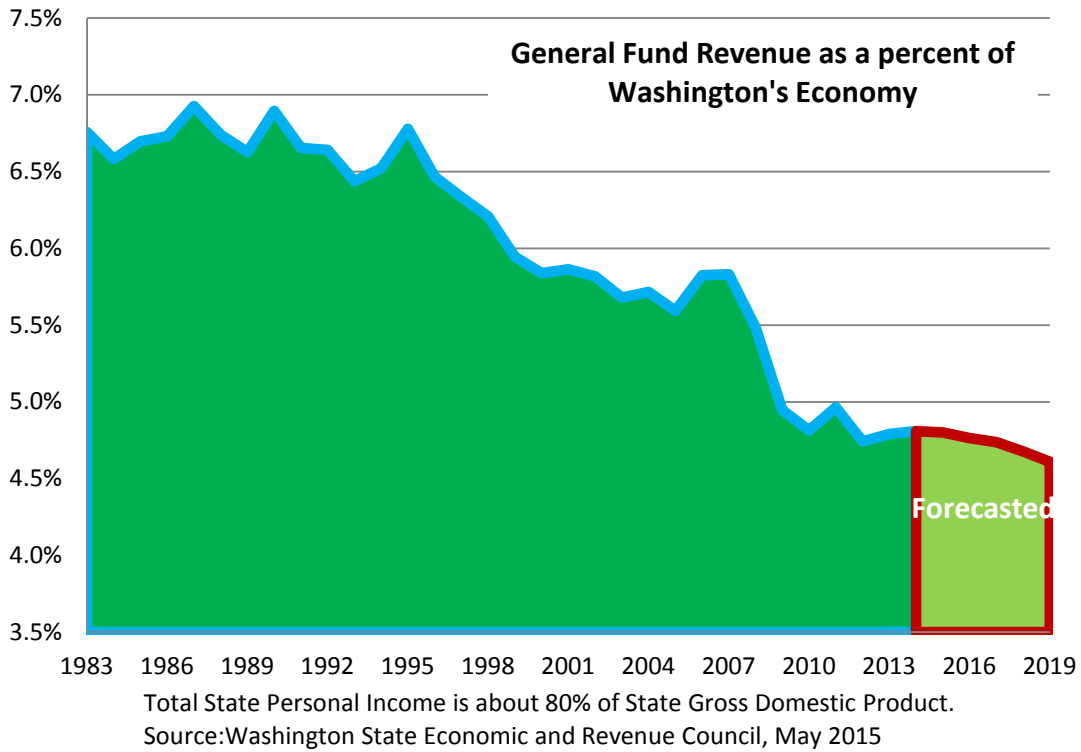
### **➤ Create a 5% Flat Tax on Personal Income:**

- Exempt \$15,000/individual, \$30,000/joint
- Plus a \$5,000 per person exemption
- Typical family of four would have a \$50,000 exemption
- Dedicate all income tax revenues to education: 75% for K-12; 25% for higher ed

### **➤ Constitutional Requirement for a Super-Majority Vote on Taxes**

- Require a 60% majority vote of the Legislature to change major tax rates
- Would cover income tax, sales tax, and B&O tax rates
- Taxpayer protection through constitutional amendment

## The Washington General Fund tax base is shrinking relative to the State's economy



## Tax Burdens on Households Major Tax and Local Taxes

