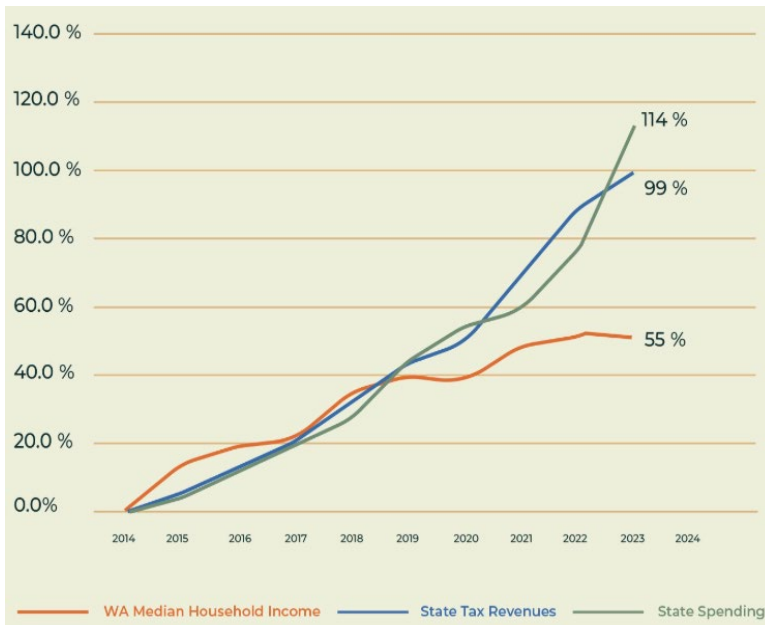




Washington has a spending problem, not a revenue problem.



WA Median Household Income – 55%¹

2013: \$60,106

2023: \$93,440

State Tax Revenue – 99%^{2,3}

2013: \$17.8B

2023: \$35.4B

State Spending – 114%⁴

2013-15: \$33.6B

2023-25: \$72B

- <https://www.statista.com/statistics/206032/median-household-income-in-washington/>
- https://dor.wa.gov/sites/default/files/2024-06/Table1_2023.pdf
- https://dor.wa.gov/sites/default/files/2022-03/Table01_5.pdf
- <https://fiscal.wa.gov/Spending/SpendHistFundBienChart>

Recent state spending choices:

2021:

- \$16B increase in spending (federal relief funds)
- \$2B Rainy Day Fund spent (despite no budget shortfall)
- 12.4% spending increase over 2019–21 budget
- 7% annual inflation rate

2022:

- \$11B increase in spending in the 2022 supplemental budget
- 8.6% spending increase to 2021-23 budget
- 6.5% annual inflation rate

2023:

- \$8B increase in spending in the 2023-25 budget
- 10.2% spending increase over the 2021–23 budget
- 3.4% annual inflation rate

2024:

- \$2B increase in spending in the 2024 supplemental budget
- **\$5B in spending above revenue projections**
- 3.1% spending increase to 2023-25 budget
- 2.9% annual inflation rate

2025:

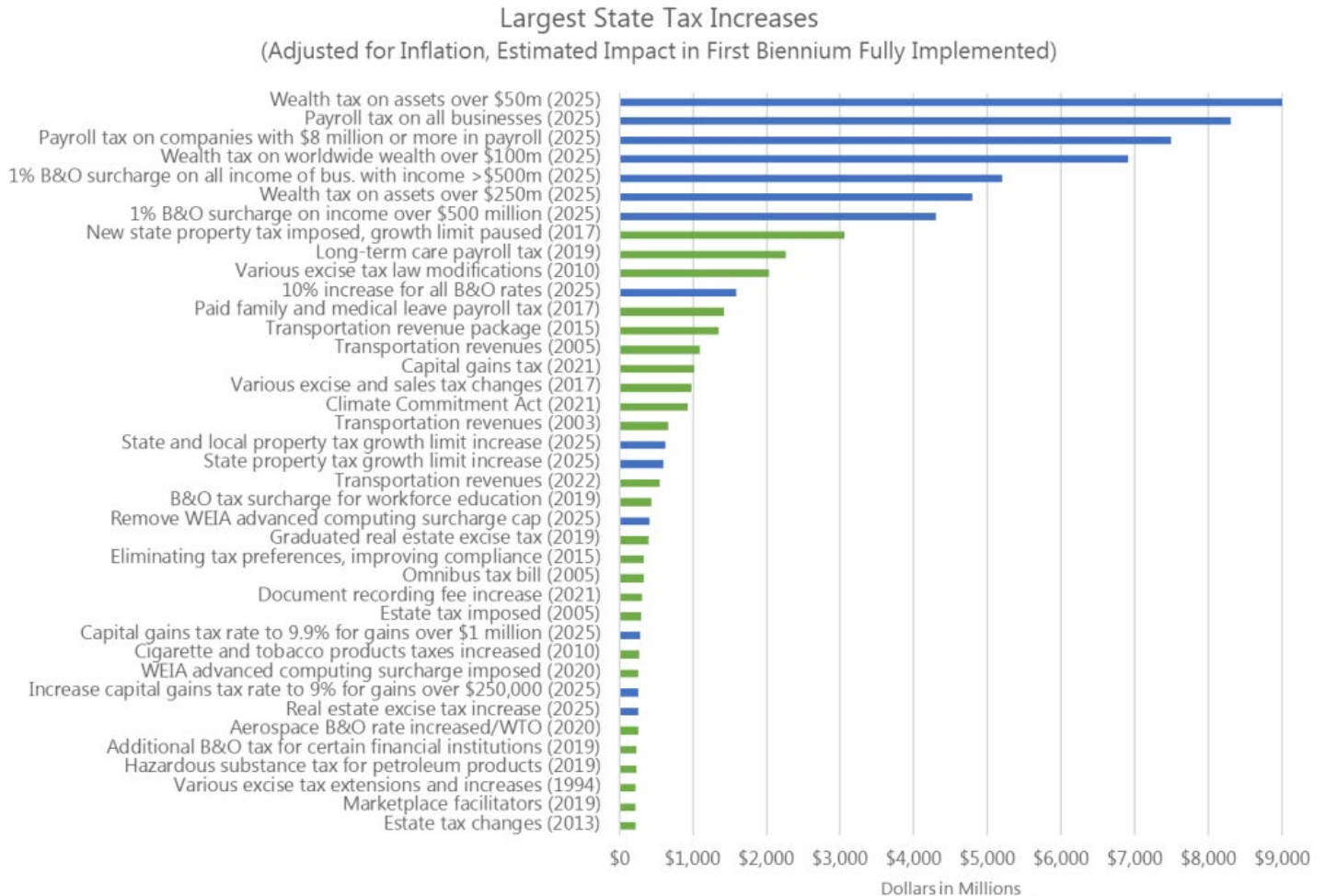
- Record tax revenues (\$10B increase over four years)

WA Businesses pay their fair share:

- 49.7% of all state and local taxes –
 - CA & OR businesses contribute under 42%
- Highest workers’ compensation benefit payments in the nation
- Highest state minimum wage in the nation
- 2nd highest unemployment insurance (UI) payments in the nation
- \$2B paid this year by employers through UI employer tax rates.

What's at stake?

The chart shows the inflation-adjusted tax increases since 1994 that have exceeded \$200 million. The years shown are the year of enactment; the blue bars are the taxes being considered this year.



Sources: LEAP, DOR, OFM

 Washington Research Council

Voters Attribute State Budget Shortfall to Failure to Control Spending

A [statewide poll](#) of 600 registered voters by Fulcrum Strategic and EMC Research in January found:

- **Economic Concerns:** 71% worry about the state economy and job availability.
- **Legislative Spending:** 76% believe the Legislature has enough money but spends it ineffectively; 65% don't trust lawmakers to handle tax dollars responsibly; over 90% say doubling state spending in the past decade hasn't improved key quality-of-life issues.
- **Budget Shortfall:** 59% attribute it to the Legislature's failure to control spending, even before hearing pollster messaging.
- **Key Issues:** Voters see little progress on cost of living, housing, homelessness, public safety, and K-12 education.



- After a decade of record spending and revenue increases, we need a smarter approach to spending.

On a scale of 1 to 50, where 1 is the best and 50 is the worst Washington is...

- 48th in Cost of Living
- 47th in Affordability
- 47th in Short-Term Fiscal Stability
- 46th in Public Safety

Source: <https://www.usnews.com/news/best-states/washington>

- Homegrown companies headquartered in Washington want to grow and invest here.
- Businesses already shoulder nearly 50% of the state's tax burden.
- Higher taxes will slow growth and increase costs for consumers.
- Government spending needs to align with strong existing revenues.
- We oppose any new business taxes – the business community must stand united.
- Washington is already one of the most expensive states for employers due to high employment taxes – don't add more.
- This budget cycle will be challenging, but with smart decisions, we can strengthen our state's economy.
- Washington's economic success depends on a thriving business environment – additional taxes put that at risk.