

# Tax Legislation Update

**Senate Ways & Means Committee**





# Property Tax

## 2007 November Special Session

- 1% levy limit, from I-747, restricts property taxes
- Property tax deferral program for lower-income households



# Streamline Sales Tax

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- Multi-state effort to simplify the sales tax to make it easier to administer inter-state
- Beginning July 1, 2008, Washington will become 1 of 19 full member states
- Businesses in Washington switch to destination-based sales tax on July 1, 2008



# Economic Development

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- ESHB 3303 created tax incentives to attract a polysilicon manufacturing plant to southwest Washington
- 2SSB 6626 provides tax breaks for businesses locating their corporate headquarters in struggling economic areas in Washington
- SSB 6828 expands tax preferences for the aerospace industry throughout WA

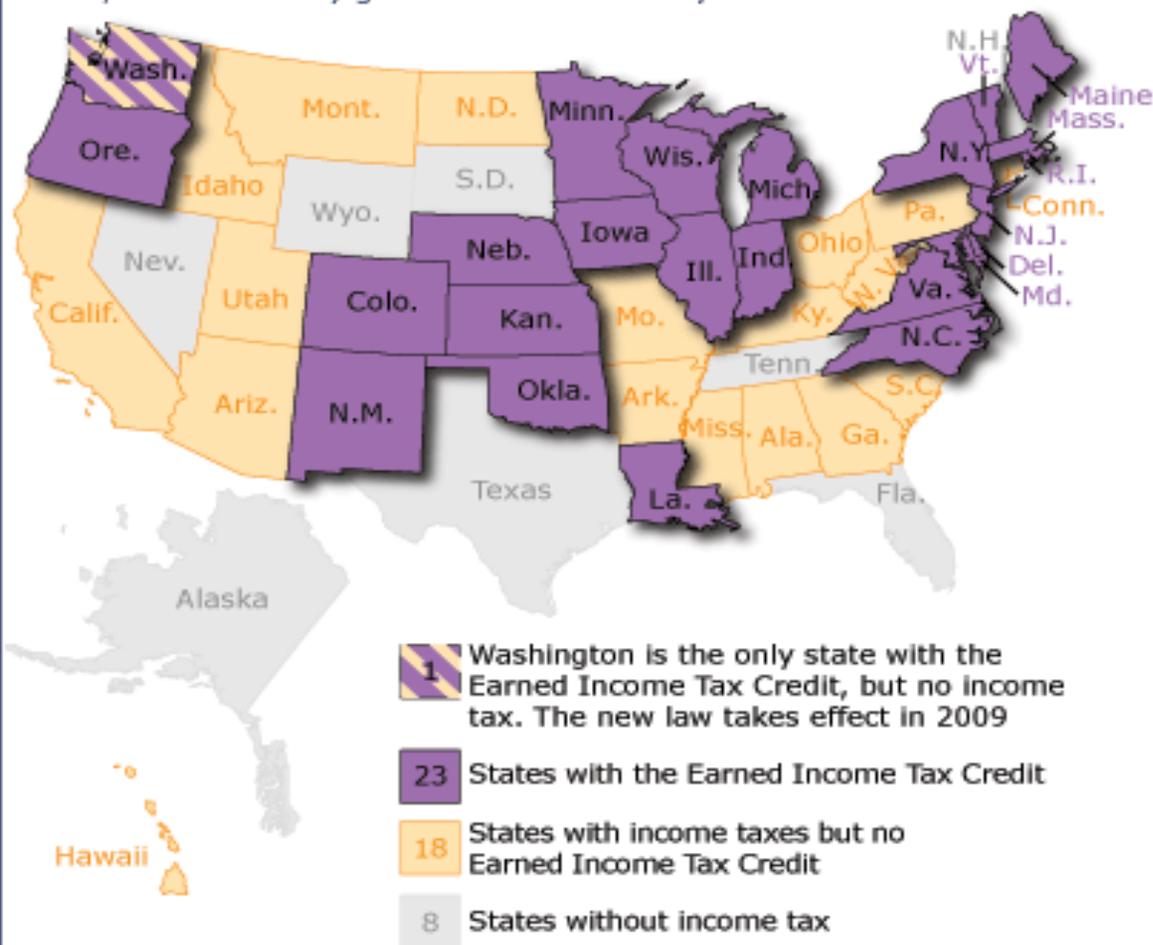
# Working Families' Tax Credit

- Washington families who itemize their federal tax returns can claim a deduction for sales tax.
- ESSB 6809 provides a state sales tax remittance equal to a percentage of the federal Earned Income Tax Credit (EITC).
- The Legislature must fund the program in the budget (implementation funded; program funding not yet provided).

Stateline.org

## States with the Earned Income Tax Credit

Twenty-four states have the Earned Income Tax Credits designed to put cash in the hands of low-income families and individuals. In all but three of the 24 states, individuals may get a refund even if they never owed taxes.



Source: State EITC Online Resource Center

Graphic by **Danny Dougherty**, Stateline.org