

Revenue Estimates Talking Points



I. Top Line

The state revenue estimates don't tell the whole story of what everyday Washingtonians are experiencing. Even during public health and economic crises: the rich get richer while ordinary people and small businesses continue to be pushed to the brink of financial collapse. Federal funds help today but are only a bridge to get us to the structural changes we need. Now is the time to reform and balance our tax code because it's not about how much money the state has, but where it comes from. Budgets—and the taxes used to pay for them—are a moral document; we can no longer afford to balance them on the backs of low-income and working people.

II. Context

[These are high stakes]: The revenue estimates do not tell the whole story of what Washingtonians are experiencing in their everyday lives. Nearly 350,000 have been diagnosed with COVID-19 and over 5,000 have died. Nearly half of all Washingtonians have lost jobs or faced pay cuts, and many are struggling to pay ordinary household expenses (1 in 4). Those who own small businesses face similar challenges—one-third missed January's rent, and nearly 30% have less than a month of cash on hand. An emergency is happening right now that is not represented in forecast models or spreadsheets. Our economic recovery will not be felt by the people who need it most if we do not reform how our state collects its revenue. Relying on a system that does not require the wealthy to pay their share means that we are relying on our lowest-income residents to fund our recovery. That's not right.

[Pre-existing insecurity and inequity]: The effects of the pandemic cannot be overstated, however, COVID-19 has merely further exposed the inequities that already framed day-to-day life. A truly balanced budget is not about more money, it's about where the money comes from. The lowest-income Washingtonians pay 6x their income in taxes than the wealthiest in our state. That's not right. Working families were living in precarity before the pandemic, struggling to afford housing, healthcare, and childcare. Because of cuts in the Great Recession, Washington has only been providing cash assistance for 29% of families who need it, compared to 62% pre-recession. The impacts of prior policy choices have fallen especially hard on people of color, in particular Black families, who disproportionately get cut from these life-saving programs.

[The tax code pre-dates the pandemic]: Balancing the tax code is not about solving a spreadsheet problem but making lives materially better for everyday Washingtonians. Our state designed an upside down tax code that predates the pandemic by decades. Our neighbors with the least are facing such precarity today because our state requires they pay 17% of their income in state and local taxes, while their wealthier, mostly white counterparts pay less than 3%. It is in times of emergency like this that we come together as a state, learn from our past, and make different choices. It's past time we reform our outdated and inequitable tax code so that those with the highest incomes pay their share.

[Federal aid is not a permanent solution]: Now is the perfect time for reforming our tax code. One-time federal aid will act as a much-needed bridge for our economic recovery and provide support to Washington’s families who need it most. This gives us the time we need to create and implement new tax policies that will ensure the long-term health of our economy without putting it on the backs of the very people who rely on these supports the most.

[Uneven recovery]: Revenue estimates may be up but on the backs of low-income and working people. Inequity has ballooned during this pandemic and those already living in uncertainty have been pushed further to the margins. Meanwhile, the wealthiest have done unimaginably well, with Jeff Bezos and other billionaires growing their wealth by more than \$1 trillion. If we do not take bold action to reform our tax code by asking the wealthy to contribute more, Washington’s economic recovery will not be felt by the people who need it the most. Instead of the status quo, we can choose to accelerate and ensure a long-term just and equitable recovery for our neighbors who need to feel it the fastest.

III. Solutions

[The tax code reflects our values]: The tax code reflects our values, and every element of it is an important tool that can shape our state’s economy. No revenue estimates will ever change the fact we have the most upside-down, regressive tax code in the country. We should be pulling every lever we can to change the fact that Washington’s lowest-income earners pay at least six times more of their income on taxes than the wealthiest in our state. The pandemic has exposed and widened the gaps created by our upside-down tax code, pushing working people already in precarity further to the margins. The legislature has a moral and political mandate to right this wrong by balancing our tax code and making long overdue investments in our communities today.

[Specific policies]: This legislative session marks a unique opportunity to take the bold, necessary steps to balance our tax code. People need relief today and we can ensure they get it by passing the Working Families Tax Credit, Capital Gains tax, Extraordinary Wealth tax, and more.

IV. Don’t get trapped into explaining

DO SAY	DON'T SAY
“Revenue estimates don’t reflect what is really happening in the lives of everyday Washingtonians today”	“The revenue forecast is good, but...”
“An uneven recovery” or “A recovery that isn’t reaching low-income and working people”	“K-shaped recovery”
“The pandemic has exposed and widened the gaps created by our decades-old upside-down tax code, pushing working people in precarity further to the margins”	“This is an emergency” without elaborating on the upside tax code or economic insecurity predating the emergency
“Revenue estimates”	“The revenue forecast”
“We’ve just begun the work of balancing our tax code”	“Passing [X] is just the start” without directly mentioning other, specific progressive revenue bills (WFTC, cap gains, extraordinary wealth tax, etc.