

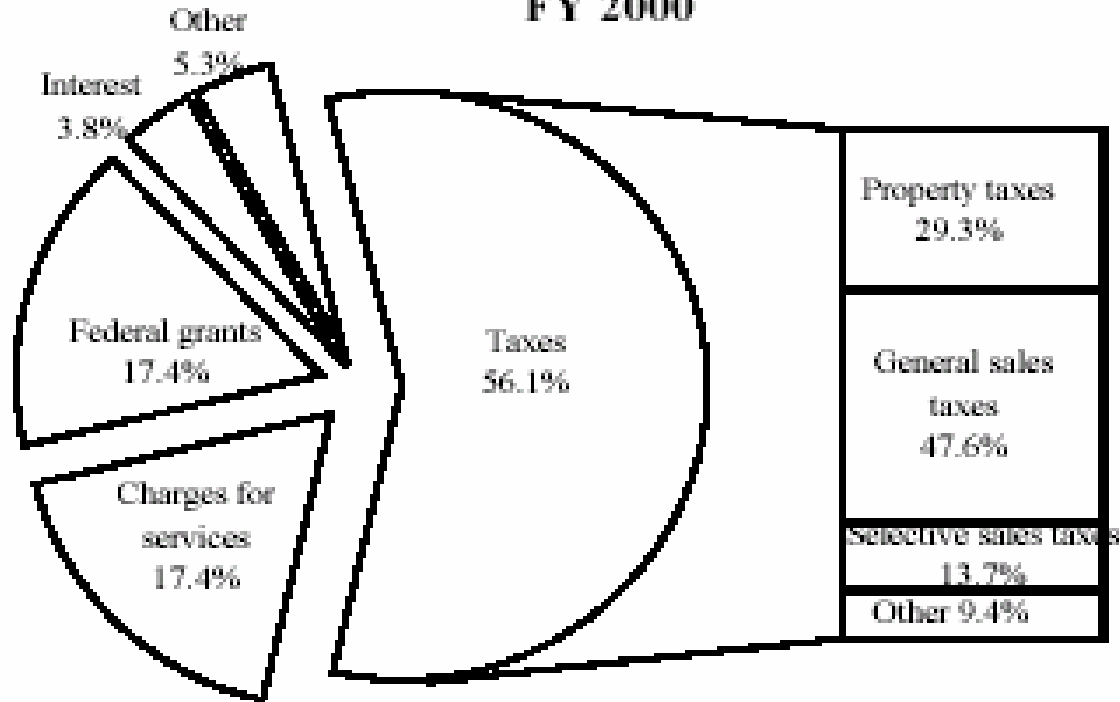
Rainier Tax Forum

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State & Federal Tax Graphs

Washington State and Local Taxes as a Share of General Revenues FY 2000



Washington General Revenues

Washington State and Local Taxes

**Washington State and Local Government
General Revenues for Fiscal Year 2000
Dollars in Millions**

Revenue Source	State Govt.	Local Govt.	Total
Taxes:			
Property taxes	\$1,697.7	\$3,794.9	\$5,492.6
General sales taxes*	7,739.0	1,179.8	8,918.8
Selective sales taxes**	1,945.3	617.2	2,562.5
All other taxes	1,185.4	574.6	1,760.0
Subtotal	12,567.4	6,166.5	18,733.9
Charges for Service	2,146.3	3,680.6	5,826.9
Federal Grants	5,094.8	732.7	5,827.5
Interest Earnings	595.3	663.1	1,258.4
Intergovernmental Transfers	95.5	6,851.4	- - -***
All Other General Revenue	754.9	1,024.5	1,779.4
TOTAL GENERAL REVENUES	\$21,254.2	\$19,118.8	\$33,426.1***

*Includes state and local business taxes measured by gross sales or gross receipts.

**Includes taxes on motor fuel, alcoholic beverages, tobacco products, and public utilities.

***Duplicative intergovernmental transfers are excluded from the total.

Source: U.S. Department of Commerce, Bureau of the Census; FY 1999-2000.

**Flat Rate Personal Income Tax Alternatives
CY 2005**

	Existing Taxes Reduced or Replaced	Revenue Neutral Income Tax Rate
A	Reduce state sales/use tax from 6.5% to 3.5%	2.6%
B	Reduce state sales/use tax to 3.5% and replace state property tax	3.8%
C	Replace state sales/use tax	5.5%
D	Replace state sales/use tax and state property tax	6.7%

**Flat Rate Personal Income Tax
Share of Tax by Households/Businesses**



Source: Utah State Tax Commission, Western States' Tax Burdens FY 1999-2000

**Graduated Rate Income Tax Alternatives
CY 2005**

Revenue Neutral Rates for Joint Returns

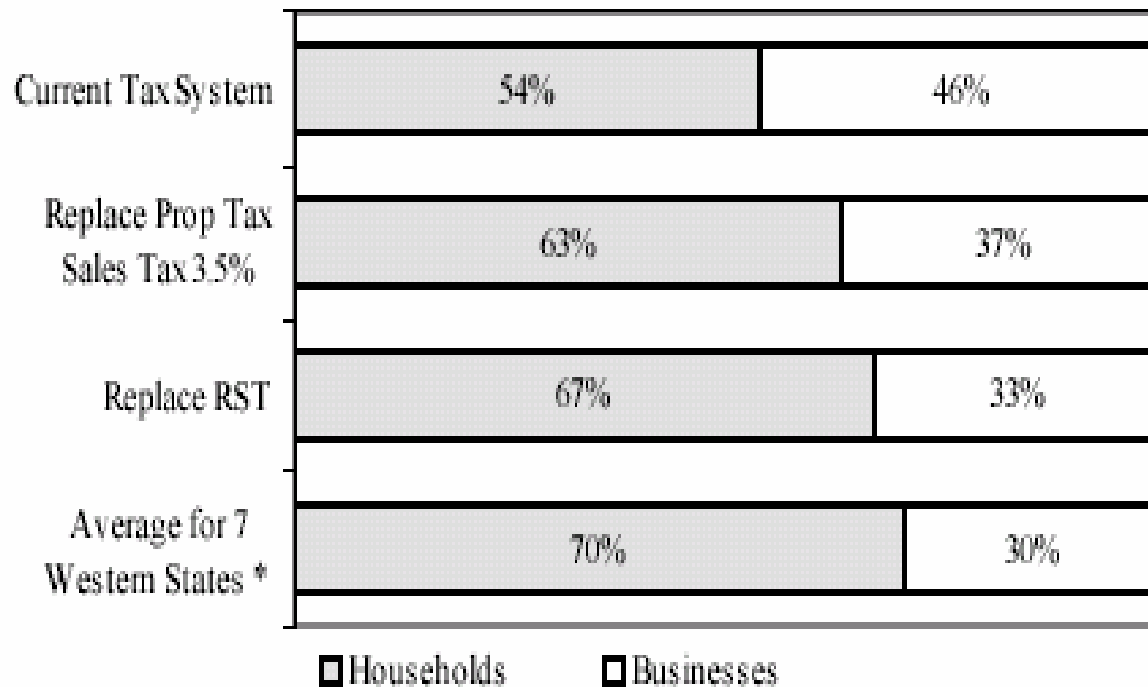
\$0 to 49,900 \$49,900 to \$120,650 and
120,650 over

Existing Taxes Reduced or Replaced

		\$0 to 49,900	\$49,900 to 120,650	\$120,650 and over
A	Reduce state sales/use tax from 6.5% to 3.5%	1.0%	2.7%	4.5%
B	Reduce state sales/use tax from 6.5% to 3.5% and eliminate state property tax	2.2%	3.5%	6.0%
C	Eliminate state sales/use tax	2.7%	5.7%	8.7%

Note: The income break points for single filers are \$0 to 24,950, up to \$60,325 and over \$60,325.

Major State and Local Taxes Paid Directly by Households and Businesses

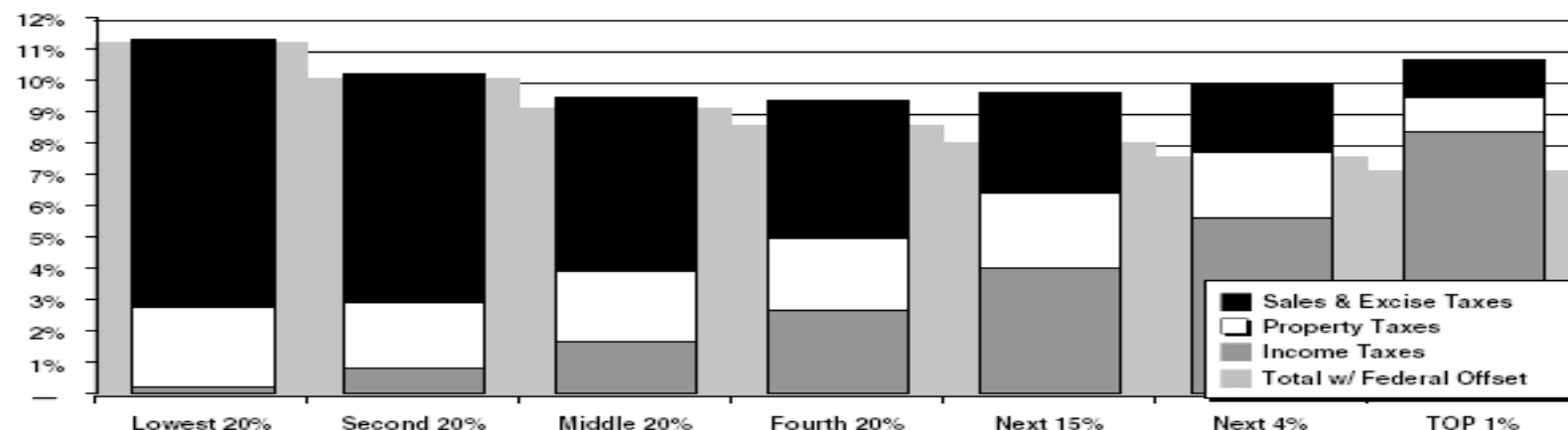


Source: Utah State Tax Commission, Western States' Tax Burdens FY 1999-2000

California

State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



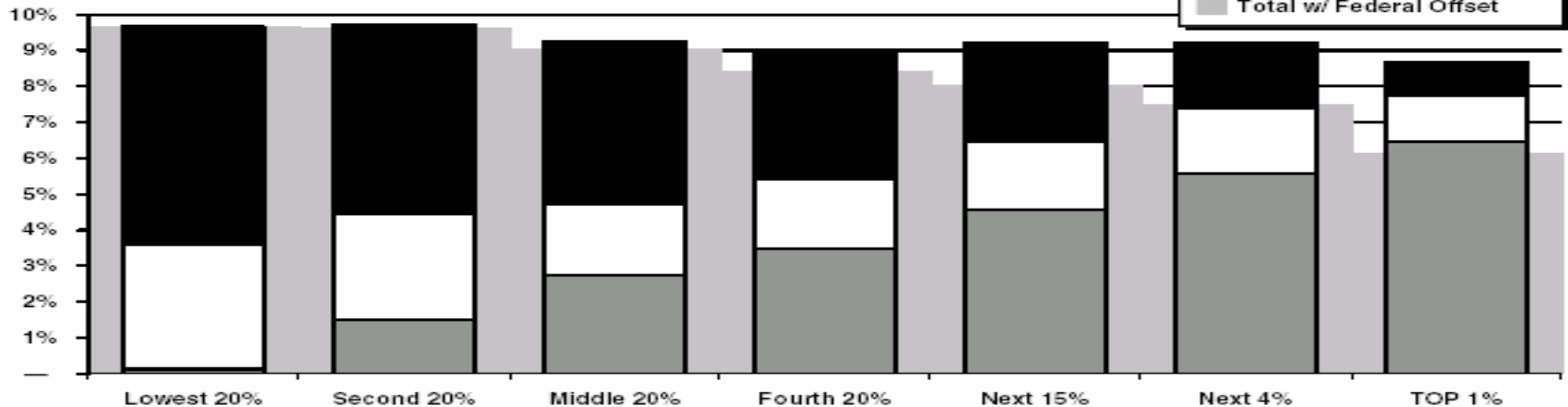
Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
	Income Range	Income Range	Income Range	Income Range	Income Range	Income Range	Income Range
Average Income in Group	\$11,100	\$23,700	\$38,300	\$61,900	\$111,200	\$241,700	\$1,630,000
Sales & Excise Taxes	8.6%	7.3%	5.6%	4.4%	3.2%	2.1%	1.2%
General Sales—Individuals	4.4%	4.1%	3.2%	2.7%	2.0%	1.4%	0.7%
Other Sales & Excise—Ind.	1.4%	0.9%	0.6%	0.4%	0.3%	0.2%	0.1%
Sales & Excise on Business	2.8%	2.3%	1.7%	1.3%	0.9%	0.6%	0.4%
Property Taxes	2.5%	2.1%	2.2%	2.3%	2.4%	2.1%	1.1%
Property Taxes on Families	2.5%	2.0%	2.2%	2.2%	2.3%	1.9%	0.7%
Other Property Taxes	0.1%	0.0%	0.0%	0.1%	0.1%	0.2%	0.4%
Income Taxes	0.2%	0.8%	1.7%	2.7%	4.0%	5.6%	8.4%
Personal Income Tax	0.2%	0.8%	1.6%	2.6%	4.0%	5.5%	7.9%
Corporate Income Tax	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.4%
TOTAL TAXES	11.3%	10.2%	9.4%	9.3%	9.6%	9.8%	10.6%
Federal Deduction Offset	-0.0%	-0.1%	-0.3%	-0.7%	-1.5%	-2.2%	-3.4%
TOTAL AFTER OFFSET	11.3%	10.1%	9.2%	8.7%	8.1%	7.6%	7.2%

Note: Table shows 2002 tax law at 2000 income levels.

Idaho

State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



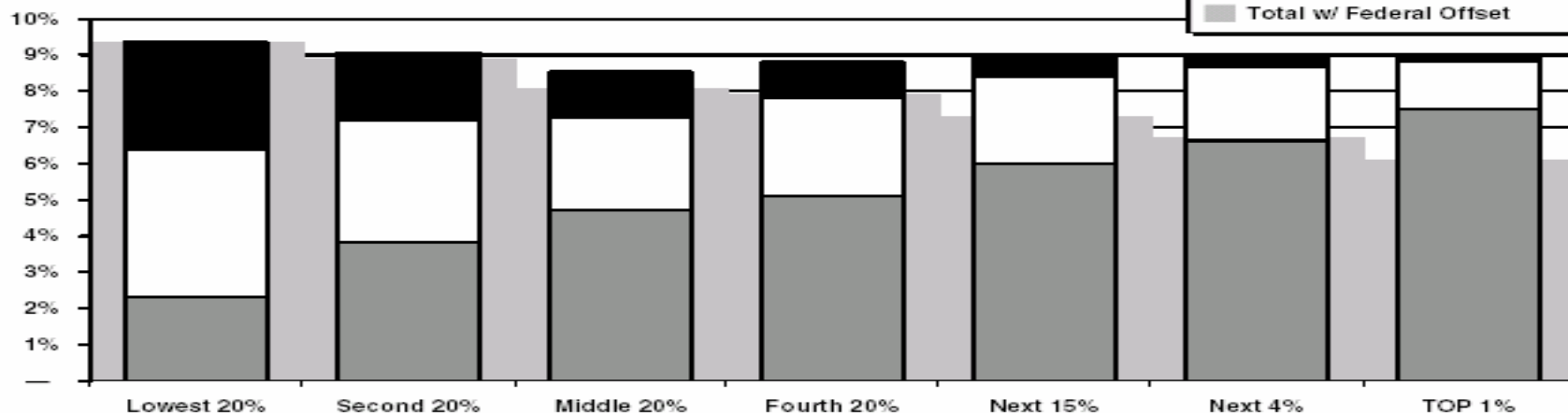
Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$14,000	\$14,000 – \$25,000	\$25,000 – \$42,000	\$42,000 – \$64,000	\$64,000 – \$119,000	\$119,000 – \$273,000	\$273,000 or more
Average Income in Group	\$8,400	\$19,700	\$32,400	\$51,100	\$82,000	\$161,000	\$765,000
Sales & Excise Taxes	6.1%	5.3%	4.5%	3.6%	2.7%	1.8%	0.9%
General Sales—Individuals	3.6%	3.2%	2.7%	2.3%	1.8%	1.2%	0.7%
Other Sales & Excise—Ind.	1.2%	0.9%	0.8%	0.6%	0.4%	0.2%	0.1%
Sales & Excise on Business	1.3%	1.1%	1.0%	0.7%	0.6%	0.4%	0.2%
Property Taxes	3.5%	2.9%	2.0%	1.9%	1.9%	1.9%	1.3%
Property Taxes on Families	3.3%	2.9%	1.9%	1.8%	1.7%	1.5%	0.7%
Other Property Taxes	0.2%	0.1%	0.1%	0.1%	0.2%	0.4%	0.6%
Income Taxes	0.1%	1.5%	2.8%	3.5%	4.5%	5.6%	6.5%
Personal Income Tax	0.1%	1.5%	2.7%	3.4%	4.5%	5.5%	6.2%
Corporate Income Tax	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
TOTAL TAXES	9.7%	9.7%	9.3%	9.0%	9.2%	9.2%	8.7%
Federal Deduction Offset	—	-0.1%	-0.2%	-0.6%	-1.2%	-1.7%	-2.5%
TOTAL AFTER OFFSET	9.7%	9.6%	9.0%	8.4%	8.0%	7.5%	6.1%

Note: Table shows 2002 tax law at 2000 income levels.

Oregon

State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



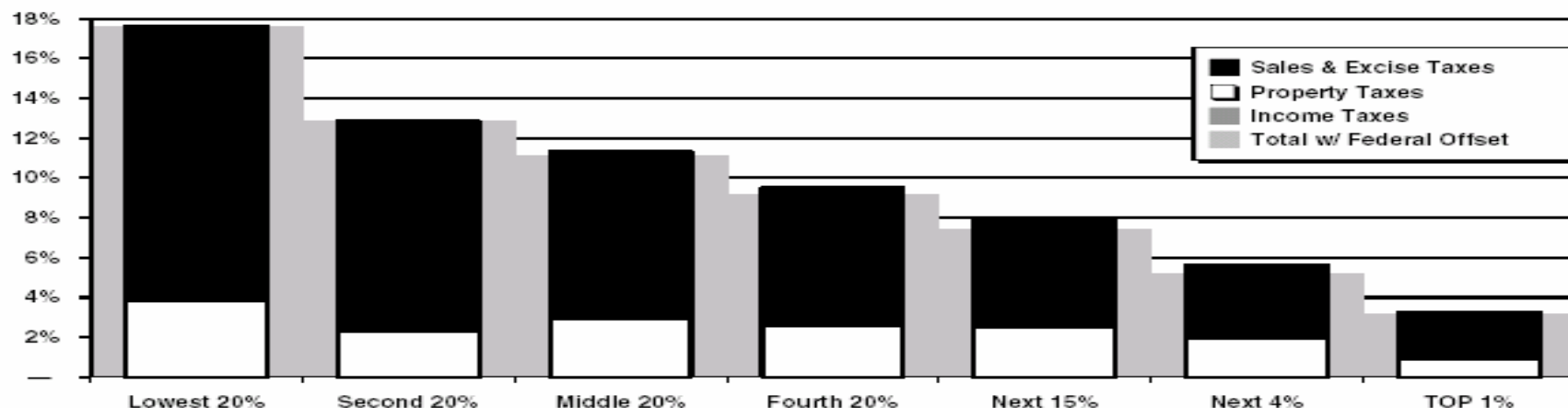
Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$16,000	\$16,000 – \$27,000	\$27,000 – \$44,000	\$44,000 – \$71,000	\$71,000 – \$132,000	\$132,000 – \$308,000	\$308,000 or more
Average Income in Group	\$9,300	\$21,100	\$34,200	\$56,100	\$90,900	\$182,000	\$672,000
Sales & Excise Taxes	2.9%	1.9%	1.3%	1.0%	0.6%	0.3%	0.1%
General Sales—Individuals	—	—	—	—	—	—	—
Other Sales & Excise—Ind.	2.8%	1.7%	1.1%	0.9%	0.5%	0.3%	0.1%
Sales & Excise on Business	0.2%	0.2%	0.1%	0.1%	0.1%	0.0%	0.0%
Property Taxes	4.1%	3.4%	2.5%	2.7%	2.4%	2.0%	1.3%
Property Taxes on Families	4.0%	3.3%	2.5%	2.6%	2.2%	1.8%	0.8%
Other Property Taxes	0.1%	0.1%	0.1%	0.1%	0.2%	0.3%	0.5%
Income Taxes	2.3%	3.8%	4.7%	5.1%	6.0%	6.6%	7.5%
Personal Income Tax	2.3%	3.8%	4.7%	5.1%	6.0%	6.6%	7.3%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
TOTAL TAXES	9.4%	9.1%	8.5%	8.8%	9.0%	9.0%	8.9%
Federal Deduction Offset	—	-0.2%	-0.5%	-0.9%	-1.7%	-2.3%	-2.8%
TOTAL AFTER OFFSET	9.4%	8.9%	8.1%	7.9%	7.3%	6.7%	6.1%

Note: Table shows 2002 tax law at 2000 income levels.

Washington

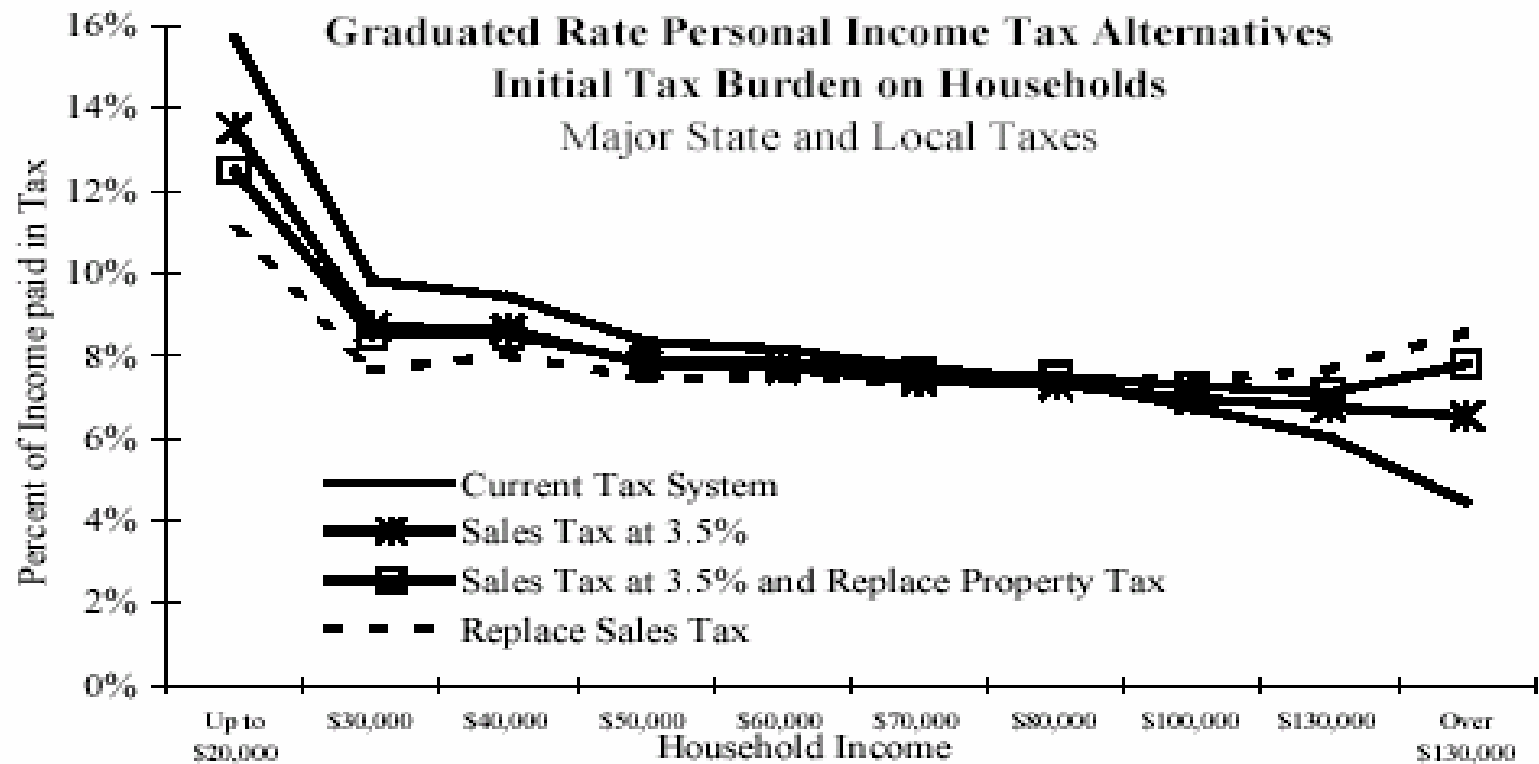
State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$17,000	\$17,000 – \$31,000	\$31,000 – \$48,000	\$48,000 – \$75,000	\$75,000 – \$143,000	\$143,000 – \$922,000	\$922,000 or more
Average Income in Group	\$9,600	\$23,200	\$38,500	\$60,000	\$98,700	\$225,000	\$1,655,000
Sales & Excise Taxes	13.8%	10.6%	8.4%	6.9%	5.4%	3.7%	2.4%
General Sales—Individuals	4.9%	4.2%	3.5%	2.9%	2.3%	1.6%	0.9%
Other Sales & Excise—Ind.	4.1%	2.7%	2.0%	1.6%	1.2%	0.8%	0.4%
Sales & Excise on Business	4.8%	3.8%	3.0%	2.4%	1.9%	1.4%	1.1%
Property Taxes	3.8%	2.3%	2.9%	2.6%	2.5%	1.9%	0.9%
Property Taxes on Families	3.7%	2.2%	2.8%	2.5%	2.4%	1.6%	0.5%
Other Property Taxes	0.1%	0.1%	0.1%	0.1%	0.1%	0.3%	0.4%
Income Taxes	—	—	—	—	—	—	—
Personal Income Tax	—	—	—	—	—	—	—
Corporate Income Tax	—	—	—	—	—	—	—
TOTAL TAXES	17.6%	12.9%	11.3%	9.5%	7.9%	5.6%	3.3%
Federal Deduction Offset	-0.0%	-0.0%	-0.3%	-0.4%	-0.5%	-0.4%	-0.1%
TOTAL AFTER OFFSET	17.6%	12.8%	11.1%	9.2%	7.4%	5.2%	3.1%

Note: Table shows 2002 tax law at 2000 income levels.



Source: Washington State Excise and Property Tax Simulation Model