



SEATTLE CITY COUNCIL | DISTRICT 3

**COUNCILMEMBER KSHAMA SAWANT**

# It's Time to Tax the Rich



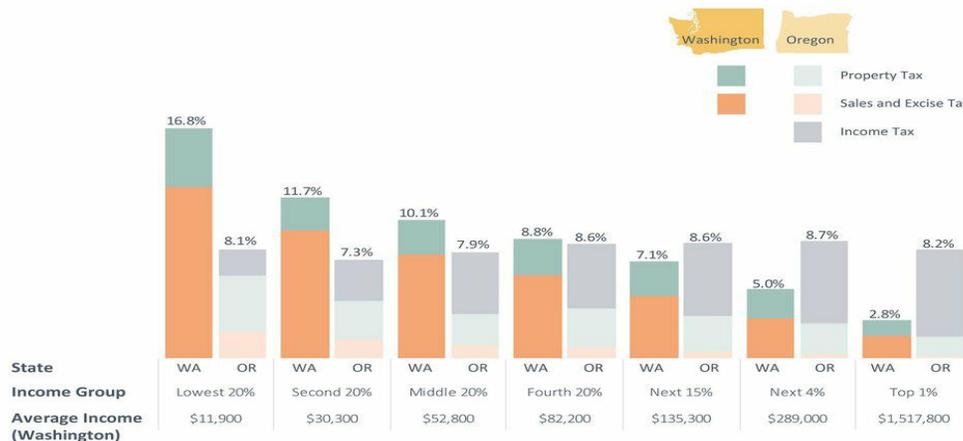
*For decades, poor and working class people in our state have paid far more of their income in taxes than big business and the super-rich. Now with Trump's billionaire-backed right-wing administration threatening further massive tax breaks for corporations and the super-wealthy alongside vicious cuts to social programs for ordinary people, hundreds of thousands are getting organized. Our movement in Seattle is building on this momentum by fighting for a tax on Seattle's rich!*

*Seattle City Councilmember Kshama Sawant*

When I first ran for City Council in 2013, I ran on a program of a \$15/hour minimum wage, taxing the rich, and citywide rent control. By building a massive and defiant grassroots movement, we won \$15! Through building a similar movement, we're now on the cusp of taxing Seattle's richest people. Join us to hold the Council accountable and demand that they tax the rich to fund affordable housing, education, and basic services.

I am introducing an ordinance, along with Councilmember Lisa Herbold, to establish a tax on high-income residents, which will raise roughly \$140 million/year to fund vital services like affordable housing, education, and basic human services.

## PERCENT OF FAMILY INCOME PAID TOWARD STATE AND LOCAL TAXES



Data: ITPF, 2015

Source: Transit Riders Union

Washington state has the most regressive tax system in the entire nation. That means that the poor and working class people pay far more in taxes than big business and the super-rich. With people making \$21,000 or less paying almost 17% of their income in taxes while the richest 1% pay a tiny 2.4%, the need for a tax on the rich is crystal clear. The skyrocketing cost of housing and a serious underfunding of basic services is impacting all working families, especially immigrants, LGBTQ people, and communities of color.

# Ordinance Details

## Who and what will be taxed

My ordinance will, if adopted, establish a tax on the very high-income residents of Seattle. Eligibility for the tax would be based on total income as reported on federal income tax returns, and would apply only to income above \$250,000 per year for single filers or income above \$500,000 per year for married couples filing jointly. Only about 5% of Seattle's richest households would be subject to the tax. Working class and middle class people will not pay.

## Tax rate

The tax rate would be 2% of the income in excess of \$250,000 per year for single filers or income in excess of \$500,000 per year for married couples filing jointly. Examples of the tax paid by various households are shown below.

### Single Filers

Total Income	Taxable Income	Tax Owed	Tax as % of Total Income
Up to \$250,000	\$0	\$0	0.00%
\$275,000	\$25,000	\$500	0.18%
\$500,000	\$250,000	\$5,000	1.00%
\$1,000,000	\$750,000	\$15,000	1.50%

### Joint Filers

Total Income	Taxable Income	Tax Owed	Tax as % of Total Income
Up to \$500,000	\$0	\$0	0.00%
\$550,000	\$50,000	\$1,000	0.18%
\$750,000	\$250,000	\$5,000	0.67%
\$1,000,000	\$500,000	\$10,000	1.00%

## Estimated revenue and permitted uses

Early estimates indicate that the tax would raise approximately \$140 million in the first year. The use of revenues from the tax would be restricted to: (1) providing public services such as housing, education, and transit; (2) replacing federal funding that may be lost due to Donald Trump's budget cuts; (3) reducing the burden of regressive taxes; (4) creating green jobs and meeting carbon reduction goals; and (5) implementing and administering the tax.

## Filing and administration

Only residents with qualifying high incomes would be required to file with the City. The Department of Financial and Administrative Services (FAS) would be responsible for administration, and the development of more detailed rules for implementation.