

Department of Revenue

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Washington's state and local tax burden ranking drops in fiscal 2000

OLYMPIA -- Washington dropped to 32nd in the nation in state and local taxes as a percent of personal income during fiscal 2000, according to new data released by the U.S. Census Bureau.

Washington's ranking fell from 20th in 1999 in large part due to higher incomes relative to taxes and elimination of the Motor Vehicle Excise tax (MVET) during the last half of 2000. Washington would have dropped to 39th had the MVET been eliminated for the entire year.

Washingtonians paid \$107.53 in state and local taxes per \$1,000 personal income in 2000, compared to \$111.25 in 1999. The U.S. average was \$112.28 in 2000, up from \$110.48 in 1999. This is the first time since 1985 that Washington burdens have dropped below the national averages.

Washington's per capita ranking dropped to 15th in 2000 from 13th in 1999. Washingtonians paid \$3,178 in taxes per person, up \$30 over 1999. Meanwhile, the national average rose \$108 to \$3,100. Washington's per capita ranking would have been 16th had the MVET been eliminated for the full year.

Looking at property taxes only, Washington dropped to 23rd nationally in 2000 compared to 18th in 1999. The MVET is counted as a property tax in the national comparisons. Had it been eliminated for the entire year, Washington's property tax ranking would have dropped to 31st.

The full report is available online at

http://dor.wa.gov/Docs/Reports/2000/Compare00/Stats_Tabs_Chrt.asp.