

Washington's Primary Tax Sources and Characteristics

Retail Sales and Use Tax	<ul style="list-style-type: none"> • A consumption tax on goods and services • Greatest tax revenue source for the state • Second-greatest tax revenue source for counties • A regressive tax: people with lower incomes spend a greater share of their incomes on necessities and thus, on sales taxes • Administrative costs are low
B&O and Utility Taxes	<ul style="list-style-type: none"> • Major tax paid by businesses • A major source of the revenues in the State General Fund; also levied by cities • Inequitable: taxes the gross sales receipts of businesses, rather than their net profits • A very stable source of revenue
Property Tax	<ul style="list-style-type: none"> • The oldest tax in Washington; paid by homeowners and businesses • Largest source of tax revenue for counties • Third largest source of tax revenue for the state, but earmarked for K-12 education and is transferred to school districts
Selective Excise Taxes	<ul style="list-style-type: none"> • Levied on a variety of specific products: gasoline, alcoholic beverages • Includes public utility taxes on electricity, natural gas, water, and sewer • Taxes are passed onto the consumer
Income Tax	<ul style="list-style-type: none"> • None