Current policy: Fully refundable state EITC worth 10% of the federal EITC, but currently unfunded

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Low 20%</th>
<th>2nd 20%</th>
<th>Mid 20%</th>
<th>4th 20%</th>
<th>Next 15%</th>
<th>Next 4%</th>
<th>Top 1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Range</td>
<td>Less than $20,000 – $38,000</td>
<td>$38,000 – $60,000</td>
<td>$60,000 – $95,000</td>
<td>$95,000 – $176,000</td>
<td>$176,000 – $430,000</td>
<td>$430,000 – Or More</td>
<td></td>
</tr>
<tr>
<td>Average Income in Group</td>
<td>$11,500</td>
<td>$28,600</td>
<td>$49,600</td>
<td>$76,800</td>
<td>$123,900</td>
<td>$249,600</td>
<td>$1,131,500</td>
</tr>
</tbody>
</table>

1) First Fix: Fund and Implement Refundable 10% Credit
2) Increase Credit to 16% Refundable
3) Increase Credit to 20% Refundable
4) Increase Credit to 30% Refundable
5) Increase Credit to 40% Refundable
6) Increase Credit to 50% Refundable

Current Distribution of Washington’s State & Local Taxes*

Tax Offset by Funded EITC
New Tax Distribution after implementing EITC

Tax Offset by Expanded EITC
New Tax Distribution after expanded EITC

Tax Offset by Expanded EITC
New Tax Distribution after expanded EITC

Tax Offset by Expanded EITC
New Tax Distribution after expanded EITC

Tax Offset by Expanded EITC
New Tax Distribution after expanded EITC

Tax Offset by Expanded EITC
New Tax Distribution after expanded EITC

*The baseline distribution of taxes is from ITEP’s 2013 Who Pays? report. The figures represent total state and local taxes as a share of income, post-federal offset. Due to rounding, the new tax distributions shown may not always precisely equal the current distribution minus the EITC offset.