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### Swallow hard, and accept a state income tax

Washington needs a revenue source or sources that are steady and capable of paying for the basics.



By Jerry Large

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I have a suggestion. It probably won't surprise you, and I know many of you aren't going to like it, but it would be better for us than a dose of cod-liver oil. This state should add a progressive income tax to its revenue mix.

We never seem to get a handle on state funding. Our problems are intense when the economy is down, and the rest of the time we fight over how to parcel out dollars that can't stretch enough to the things we need to do.

One ongoing example of the funding problem has to do with K-12 education. Our state Supreme Court is increasingly frustrated with the Legislature because that body hasn't come up with a plan to fully fund basic education. The court asked for a plan when it decided in 2012 the state wasn't living up to its constitutional obligation.

I don't know who, if they have anything to do with education or government, isn't frustrated by the difficulty of fairly and adequately funding education. There will always be some political tension around that issue, and that's fine, even healthy, but what isn't OK is the process of sorting that out is hobbled by the lack of sufficient funding options.

We need a revenue source or sources that are steady and capable of paying for the basics.

I'm not saying the state should be able to spend on education, or anything else, without restraint, but that the state ought to have at least the ability to fund the basics it has identified.

In 2007 a number of school districts, unions and other parties filed suit arguing the state was not living up to its school-funding obligations. The suit carries the name of one party, the McCleary family, who had two children attending school in a rural district near Port Townsend.

The plaintiffs won in court, and in 2012 the Washington Supreme Court ordered the state to raise funding to meet the Legislature's own definition of the basic education required by the state constitution.

The Legislature can't spend money it doesn't have, so here we are at a stalemate, wondering what the court might do to punish the state for violating the constitution.

Washington's government wants to do right by children. For instance, the state has provided money for early education, because legislators and the governor realize its impact on later educational outcomes.

In 2007 the Legislature created a task force on education funding as a step toward improving education outcomes. But while the task force was in the middle of its work, the Great Recession took

hold.

Revenue from sales and property taxes plummeted. Every state was hurt, but Washington has a particularly unstable tax system, and policymakers are always looking for patches.

Washington is one of only a few states that don't rely on a mix of revenue sources that include an income tax. I saw a tax study a few years ago that ranked us as the worst of the "terrible ten," so called for their regressive tax structures. In a regressive system, taxes hit low- and middle-income earners significantly harder than they do high earners.

With an income tax, we could lower sales taxes and have a fairer system. The state could operate more efficiently with a tax mix that brought in a little more money and did it more consistently.

Last week, after the Supreme Court grilled lawyers for the Legislature about funding, Gov. Jay Inslee suggested finding more money by closing tax exemptions not directly tied to job creation.

That would be a good start, but our problems are much bigger than that. Education is just one of many underfunded state responsibilities.

Last month, the Supreme Court ruled against the temporary boarding of psychiatric patients in hospital emergency rooms. The practice exists because the state's mental-health treatment system is overtaxed.

I don't like to think many of us are undertaxed, but certainly our current tax system doesn't seem to be up to meeting our state's basic needs.

We should seriously consider other possibilities.

*Jerry Large's column appears Monday and Thursday. Reach him at 206-464-3346 or [jlarge@seattletimes.com](mailto:jlarge@seattletimes.com)*



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