



# 2014 Education Investment Package

## Restore Teacher COLAs

**HB 2422** – Having a quality teacher in every classroom is critical to ensuring all students receive equal opportunity for an education. With salary freezes, COLA suspensions, and rising health care costs, teachers have lost significant buying power.

Voter-approved I-732 has been suspended since 2009. It's time to restore teacher cost-of-living adjustments and give educators the fair pay they deserve.

**\$51.2 million for FY 2015**

## Improve Early Learning Quality

**HB 2377 – Early Start Act:** Our state has done an excellent job creating an early learning system and expanding access to tens of thousands of children, but now it's time to improve the quality of care our kids receive.

The Early Start Act will lead to positive outcomes like greater academic achievement, increased graduation rates, lower incarceration rates, less poverty, and less reliance on government assistance.

**\$16.5 million for FY 2015**

## \$100 Million Investment in Our Kids

*Repeal four costly tax exemptions*

### Extracted Fuel Tax Exemption

**\$31.7 million**

Originally created for the wood products industry for hog fuel in 1940s, refineries now claim 98% of this exemption. This costly tax exemption has lived well beyond its original purpose.

### Sales Tax on Bottle Water

**\$24.3 million**

Bottled water was taxed prior to joining the Streamlined Sales and Use Tax Agreement, which now allows states to tax bottled water. It is a discretionary purchase and should be treated as such in our tax code.

### Non-Resident Sales Tax

**\$29 million**

Residents of states with sales tax below 3% are exempt from retail sales tax. This exemption has little true impact on purchasing habits of nonresidents. No other state provides this tax giveaway to nonresidents.

### B&O Tax for Rx Drug Resellers

**\$15.6 million**

This ineffective special tax rate was created in 1998 to attract Rx resellers to Washington. Out-of-state wholesalers are taking advantage of the exemption, completely undermining the original intent.

