

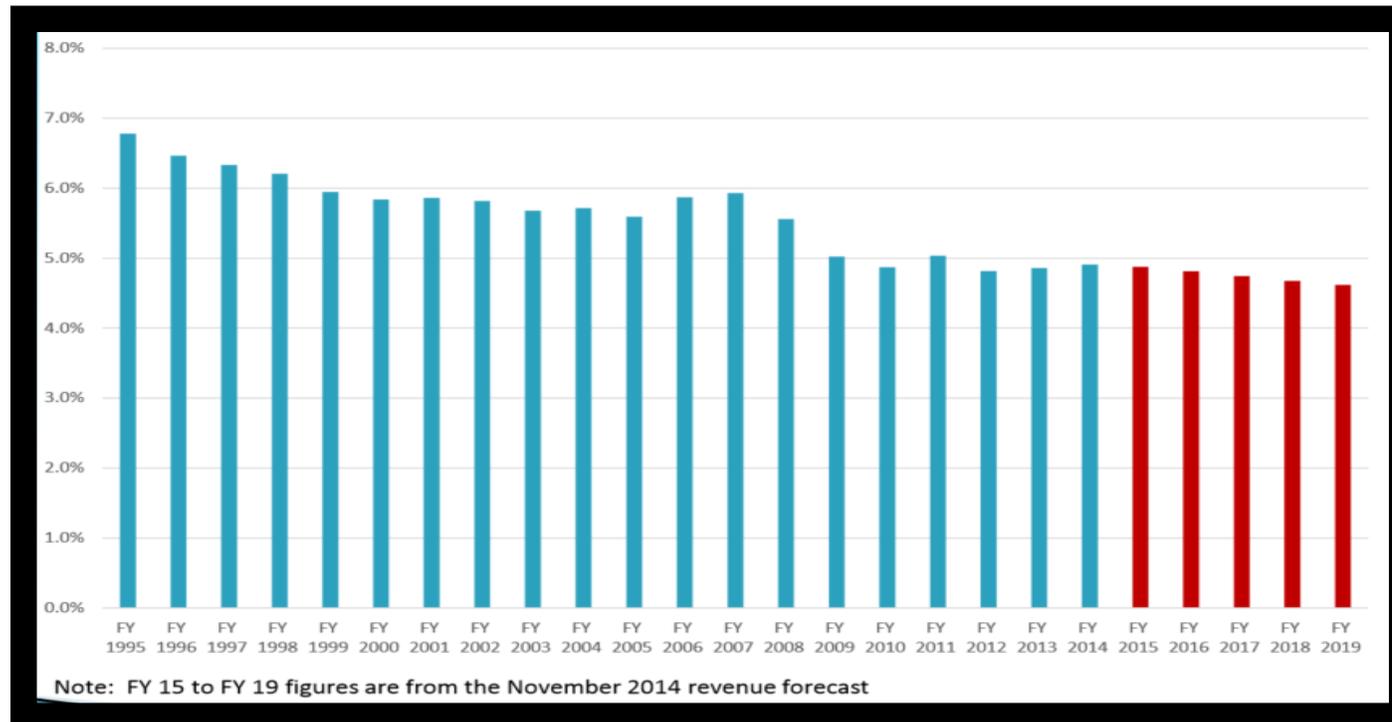
Heading into the 2015 session, the budget gap is at least \$4.0 billion.

Projected Demand for Services - \$41.5 Billion

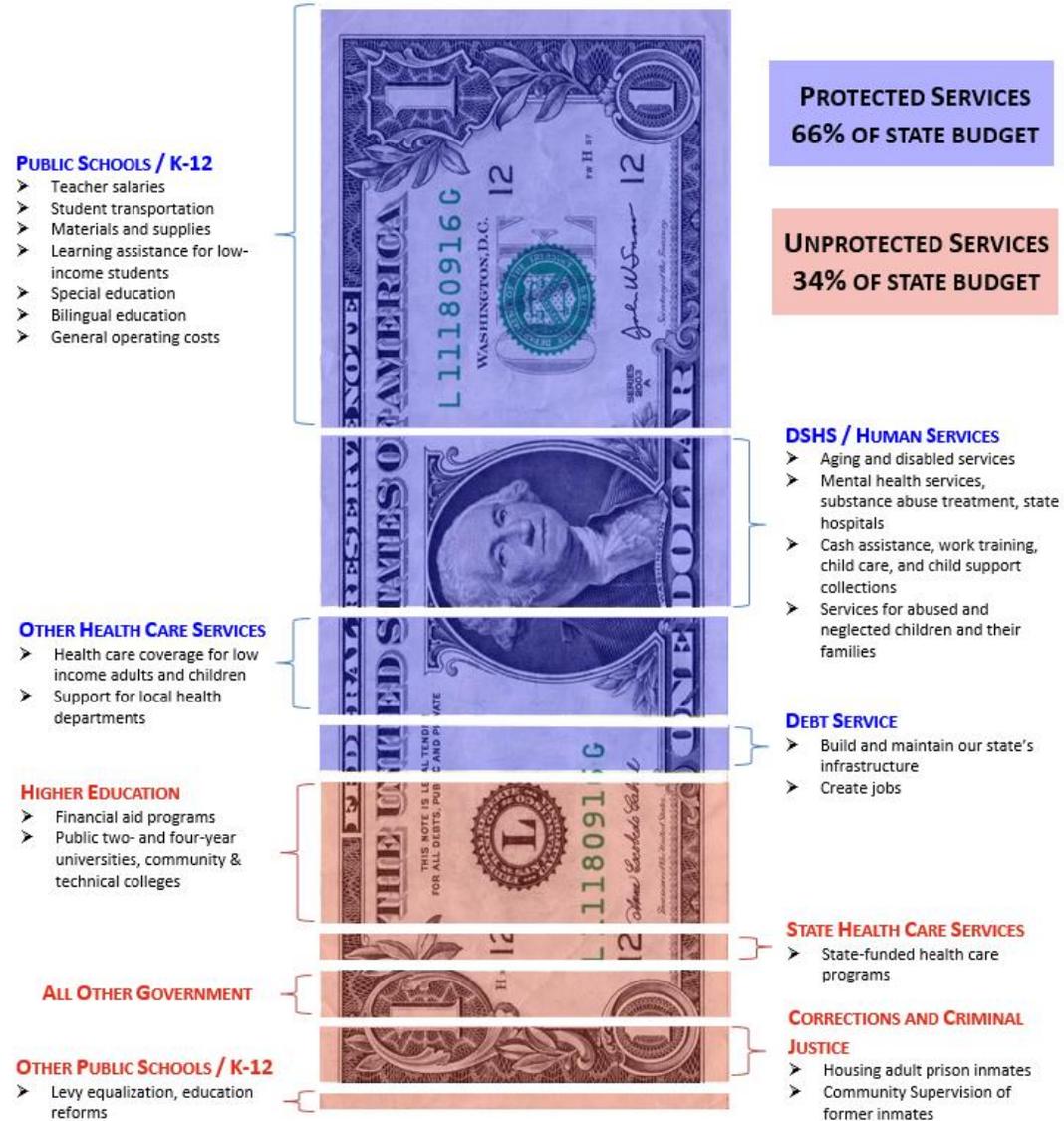
Projected Revenue - \$37.5 Billion

\$4.0 Billion Gap

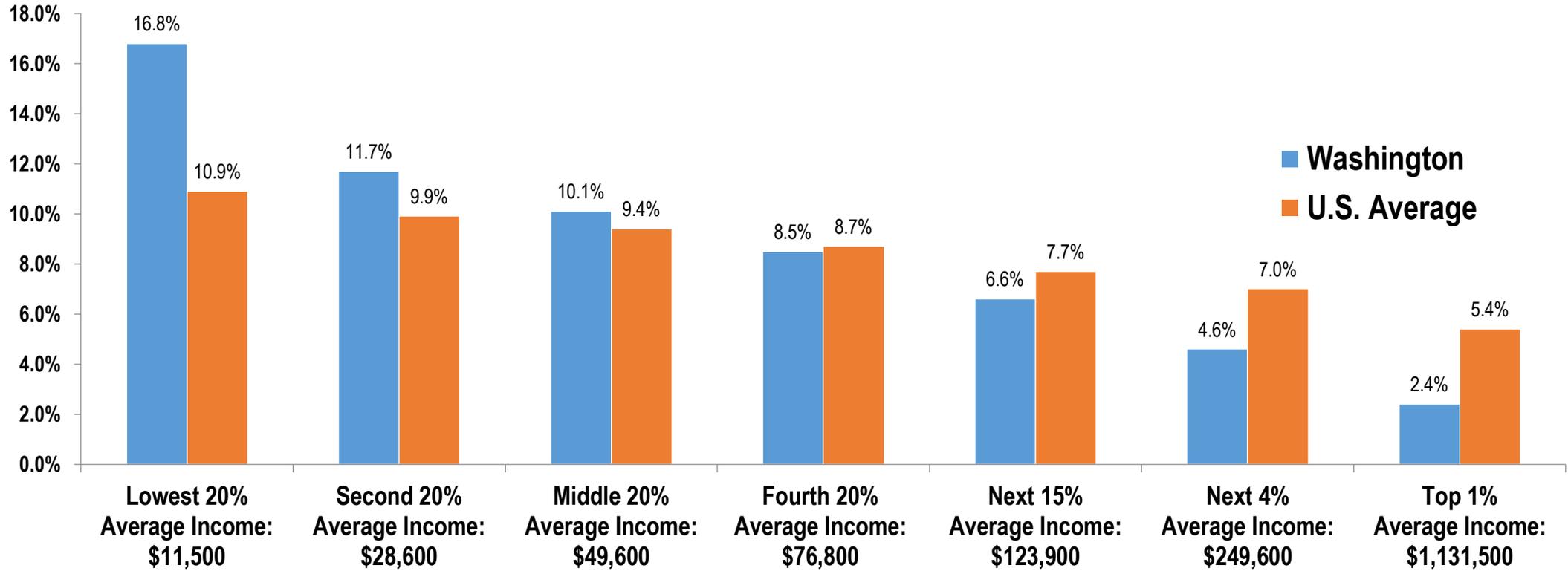
Despite increased demand for services, revenue as a share of personal income continues to decline.



State Operating Budget



Percentage of Income Paid as Taxes by Income



Source: Institute on Taxation & Economic Policy

2015-17 Governor Inslee Revenue Package Summary

	2015-17 Biennium NGFS Fiscal Impact	2017-19 Biennium NGFS Fiscal Impact
Enact new 7% capital gains tax	\$798 million	\$1,778 million
Increase state cigarette tax by 50 cents per pack; start taxing e-cigarettes/vapor products	\$56 million	\$116 million
Repeal/narrow five existing tax preferences	\$282 million	\$319 million
Use portion of new revenue generated by Carbon Pollution Accountability Act	\$380 million	\$792 million
Reinstate or extend eight tax preferences, including High Tech R&D preferences	(\$94 million)	(\$104 million)
TOTAL	\$1.422 Billion	\$2.901 Billion