

Excise Tax Advisory

Excise Tax Advisories are interpretive statements authorized by RCW 34.05.230.

ETA 3240.2025

Issue Date: January 2, 2025

Working Families Tax Credit – Annual Updates

Purpose

RCW 82.08.0206 requires the Department to annually adjust the Working Families Tax Credit (WFTC) refund amounts for inflation and the percentage rate of WFTC refund reductions for those above the reduced federal income threshold. This Excise Tax Advisory (ETA) provides these annual updates for the WFTC refund program.

References in this ETA to "I," "my," "you," "your," "we," or "our" are intended to refer to the individual applying for the WFTC (i.e., the applicant). For additional information, please visit the Department's website at WorkingFamiliesCredit.wa.gov or call the Department at 360-763-7300.

How are the WFTC Refund Amounts Adjustments Calculated?

Each year, the Department must adjust the maximum WFTC refund amounts eligible low-income persons may receive (including the minimum refund amount) for inflation. The Department's inflation calculation is based on changes in the consumer price index that are published by November 15th of the previous year for the most recent 12-month period. The "consumer price index" is the average consumer price index for that 12-month period for the Seattle, Washington area for urban wage earners and clerical workers and is compiled by the Bureau of Lab Statistics within the United States Department of Labor. All adjusted refund amounts must be rounded to the nearest \$5.

To request this document in an alternate format, visit <https://dor.wa.gov> and click on "contact us" or call 360-705-6705. Teletype (TTY) users may use the Washington Relay Service by calling 711.

General tax information is available on our website at <https://dor.wa.gov>.

Questions? Complete the online form at <https://dor.wa.gov/contact/contact-form> or call 360-705-6705. If you want a binding ruling from the Department, complete the form at <https://dor.wa.gov/contact/request-tax-ruling>.

**Yearly WFTC
Refund Amounts**

Each tax year, if you are eligible to receive the WFTC refund, you may receive up to these amounts based on the number of qualifying children you have:

Tax Year	Number of Qualifying Children			
	0	1	2	3 or more
2024	\$325	\$640	\$965	\$1,290
2023	\$315	\$625	\$940	\$1,255
2022	\$300	\$600	\$900	\$1,200

If you are eligible to receive a refund of more than zero cents, but less than the minimum refund amount for that tax year, then you will receive the minimum refund amount. The number of qualifying children you have does not change the minimum refund amount:

Tax Year	Minimum Refund Amount
2024	\$50
2023	\$50
2022	\$50

You may file an application to receive your WFTC refund for tax years 2022, 2023, and 2024 during the corresponding refund claim periods listed below:

Tax Year	Refund Claim Period
2024	February 1, 2025 through December 31, 2028
2023	February 1, 2024 through December 31, 2027
2022	February 1, 2023 through December 31, 2026

**What are the WFTC
Refund Reduction
Percentages?**

To be eligible for the WFTC refund, you must generally be eligible for the federal earned income tax credit (EITC), including satisfying the federal income thresholds for that program. However, to determine the refund amount you are eligible to receive under the WFTC, the Department must first calculate the reduced federal income threshold. The Department determines the reduced federal income thresholds as provided in RCW 82.08.0206(3)(b). If your income exceeds the reduced federal income threshold, but is still below the federal income thresholds, your maximum refund will be decreased, but not below the minimum refund amount for the applicable tax year. All reductions are rounded to the nearest dollar.

An example of how your WFTC refund is calculated is provided in WAC 458-20-285, the Department’s rule concerning the WFTC, under Answer 10E. Please

note that the Department has converted the refund reduction percentages to monetary amounts in this ETA for clarity and these values will be referred to as “WFTC Refund Reduction Percentage Amounts.”

The WFTC Refund Reduction Percentage Amounts are calculated by the Department each year to ensure that the minimum refund amount for that tax year is being received for those who have the maximum qualifying income level.

**Yearly WFTC
Refund Reduction
Percentage
Amounts**

For each dollar you are over the reduced federal threshold amount, the Department will reduce your refund by the following amounts each tax year:

Tax Year	Number of Qualifying Children			
	0	1	2	3 or more
2024	\$0.13 (13.0%)	\$0.128 (12.8%)	\$0.193 (19.3%)	\$0.258 (25.8%)
2023	\$0.126 (12.6%)	\$0.125 (12.5%)	\$0.188 (18.8%)	\$0.251 (25.1%)
2022	\$0.12 (12.0%)	\$0.12 (12.0%)	\$0.18 (18.0%)	\$0.24 (24.0%)