

FINAL BILL REPORT

HB 1075

C 73 L 93
Synopsis as Enacted

Brief Description: Updating references in probate and trust law to the Internal Revenue Code.

By Representatives Padden, Appelwick, Ludwig and Johanson.

House Committee on Judiciary
Senate Committee on Law & Justice

Background: A number of Washington statutes governing probate and trust law and estate taxation refer to the federal Internal Revenue Code. Many of those references are outdated cross-references to the Internal Revenue Code of 1954. The current Internal Revenue Code was adopted in 1986.

Washington statutes governing marital deduction gifts in trust follow the definitions and requirements of the Internal Revenue Code. The Internal Revenue Code requires that no distributions from a "qualified domestic trust" may be made, other than a distribution of income, unless the trustee of the trust has the right to withhold from the distribution the tax imposed under the Internal Revenue Code. Washington statutes do not reflect this requirement.

Summary: A new definition of "Internal Revenue Code" is added to the general provisions governing probate and estate taxation. "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended or renumbered on the effective date of this act. Additional and unnecessary references to the Internal Revenue Code are deleted and other references are updated.

Provisions governing marital deductions are updated to reflect the federal tax law requirement that no distributions from a "qualified domestic trust" may be made, other than a distribution of income, unless the trustee has the right to withhold from the distribution the tax imposed under the Internal Revenue Code.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: July 25, 1993