
HOUSE BILL 1076

State of Washington 53rd Legislature 1993 Regular Session

By Representatives Ludwig, Padden, Appelwick, Orr and Johanson

Read first time 01/13/93. Referred to Committee on Judiciary.

1 AN ACT Relating to the distribution of income earned during
2 administration of a decedent's estate; and amending RCW 11.104.050.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 11.104.050 and 1985 c 30 s 88 are each amended to read
5 as follows:

6 (1) Unless the will or the court otherwise provides and subject to
7 subsection (2) of this section, all expenses incurred in connection
8 with the settlement of a decedent's estate, including debts, funeral
9 expenses, estate taxes, interest due at death, and penalties concerning
10 taxes, family allowances, fees of attorneys and personal
11 representatives, and court costs shall be charged against the principal
12 of the estate, except that the principal shall be reimbursed from
13 income for any increase in estate taxes due to the use of
14 administration expenses that were paid from principal as deductions for
15 income tax purposes.

16 (2) Unless the will or the court otherwise provides, income from
17 the assets of a decedent's estate after the death of the testator and
18 before distribution, including income from property used to discharge

1 liabilities, shall be determined in accordance with the rules
2 applicable to a trust under this chapter and distributed as follows:

3 (a) To beneficiaries of any specific bequest, legacy, or devise,
4 the income from the property bequeathed or devised to them
5 respectively, less taxes, ordinary repairs, and other expenses of
6 management and operation of the property, and appropriate portions of
7 interest accrued since the death of the testator and of taxes imposed
8 on income (excluding taxes on capital gains) which accrue during the
9 period of administration;

10 (b) Subject to (c) of this subsection, to all other beneficiaries,
11 including trusts, the balance of the income less the balance of taxes,
12 ordinary repairs, and other expenses of management and operation of all
13 property from which the estate is entitled to income, plus the balance
14 of all income accrued since the death of the testator, and less the
15 balance of all taxes imposed on income (excluding taxes on capital
16 gains) which accrue during the period of administration, in proportion
17 to their respective interests in the undistributed assets of the estate
18 computed at times of distribution on the basis of the fair value,
19 provided, that the amount of income earned before the date or dates of
20 payment of any estate or inheritance tax shall be distributed to those
21 beneficiaries in proportion to their interests immediately before the
22 making of those payments. A personal representative who has been
23 granted nonintervention powers under chapter 11.68 RCW may determine
24 the time and manner of distributing the income to a beneficiary
25 entitled to receive the income including:

26 (i) A residuary beneficiary; and

27 (ii) A testamentary trust beneficiary to whom trust income must be
28 distributed or, if the trustee named in the will approves or ratifies
29 the distribution, to whom trust income may be distributed; and

30 (c) Pecuniary bequests not in trust do not receive income, and,
31 subject to the provisions of RCW 11.56.160, all such bequests,
32 including those to the decedent's surviving spouse, are not allocated
33 any share of the expenses identified in subsection (2)(b) of this
34 section.

35 (3) Any income with respect to which the income taxes have been
36 paid which is payable in whole or in part to one or more charitable or
37 other tax exempt organizations, and for which an income tax charitable
38 deduction was allowable, shall be allocated among the distributees in
39 such manner that the diminution in such taxes resulting from the

1 charitable deduction allowable will inure to the benefit of the
2 charitable or tax exempt organization giving rise to the deduction.
3 (4) Income received by a trustee under subsection (2) of this
4 section shall be treated as income of the trust.

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