
HOUSE BILL 1884

State of Washington 60th Legislature 2007 Regular Session

By Representatives Linville, Orcutt, Hailey, Eddy, Wood, Grant, Ericks, P. Sullivan, Pettigrew, O'Brien, McDonald, Kristiansen, Newhouse, Roach, Dunn, Springer, Bailey, McCune, Ormsby and Warnick

Read first time 01/31/2007. Referred to Committee on Finance.

1 AN ACT Relating to creating an estate tax exemption for certain
2 property held by qualified family-owned businesses; and adding a new
3 section to chapter 83.100 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 83.100 RCW
6 to read as follows:

7 (1) For the purposes of determining the Washington taxable estate,
8 a deduction is allowed from the federal taxable estate for the value of
9 qualified family-owned business interests of the decedent. This
10 deduction applies only if the qualified family-owned business interest
11 is acquired by any qualified heir from, or passed to any qualified heir
12 from, the decedent, within the meaning of RCW 83.100.046(2) and the
13 decedent was at the time of his or her death a citizen or resident of
14 the United States. Only property in the federal taxable estate and not
15 deductible under RCW 83.100.046 may be deducted under this subsection.
16 For the purposes of determining the deduction amount, the value of
17 property is its value as used to determine the value of the gross
18 estate. For purposes of this subsection, the following definitions
19 apply:

1 (i) "Qualified family-owned business interest" has the same meaning
2 as in 26 U.S.C. section 2057(e) of the federal internal revenue code as
3 it exists on January 1, 2007.

4 (ii) "Qualified heir" has the same meaning as in 26 U.S.C. section
5 2057(i) of the federal internal revenue code as it exists on January 1,
6 2007.

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