

CERTIFICATION OF ENROLLMENT

SENATE BILL 5057

62nd Legislature
2011 Regular Session

Passed by the Senate March 1, 2011
YEAS 43 NAYS 2

President of the Senate

Passed by the House April 4, 2011
YEAS 95 NAYS 0

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5057** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SENATE BILL 5057

Passed Legislature - 2011 Regular Session

State of Washington 62nd Legislature 2011 Regular Session

By Senators Pflug, Kline, and Harper; by request of Washington State Bar Association

Read first time 01/12/11. Referred to Committee on Judiciary.

1 AN ACT Relating to the income tax required to be paid by a trustee;
2 and amending RCW 11.104A.290.

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

4 **Sec. 1.** RCW 11.104A.290 and 2002 c 345 s 505 are each amended to
5 read as follows:

6 ~~((a))~~ (1) A tax required to be paid by a trustee based on
7 receipts allocated to income must be ~~((paid from))~~ charged to income.

8 ~~((b))~~ (2) A tax required to be paid by a trustee based on
9 receipts allocated to principal must be ~~((paid from))~~ charged to
10 principal, even if the tax is called an income tax by the taxing
11 authority.

12 ~~((c))~~ (3) A tax required to be paid by a trustee on the trust's
13 share of an entity's taxable income must be ~~((paid proportionately))~~
14 charged:

15 ~~((1) From))~~ (a) To income to the extent that receipts from the
16 entity are allocated only to income; ~~((and~~

17 ~~(2) From))~~ (b) To principal to the extent that ~~((+~~

18 ~~(i) Receipts from the entity are allocated to principal; and~~

1 ~~(ii) The trust's share of the entity's taxable income exceeds the~~
2 ~~total receipts described in (1) and (2)(i) of this subsection.~~

3 ~~(d) For purposes of this section, receipts allocated to principal~~
4 ~~or income must be reduced by the amount distributed to a beneficiary~~
5 ~~from principal or income for which the trust receives a deduction in~~
6 ~~calculating the tax)) receipts from the entity are allocated only to~~
7 ~~principal;~~

8 (c) Proportionately to income and principal to the extent that
9 receipts from the entity are allocated to both income and principal;

10 (d) Otherwise to principal.

11 (4) Before applying subsections (1) through (3) of this section,
12 the trustee must adjust income or principal receipts by the
13 distributions to a beneficiary for which the trust receives an income
14 tax deduction.

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