

**HB 1920 - H AMD 439**

By Representative Condotta

WITHDRAWN 04/16/2013

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 83.100.020 and 2005 c 516 s 2 are each amended to  
4 read as follows:

5 (~~As used in this chapter:~~) The definitions in this section apply  
6 throughout this chapter unless the context clearly requires otherwise.

7 (1) "Decedent" means a deceased individual;

8 (2) "Department" means the department of revenue, the director of  
9 that department, or any employee of the department exercising authority  
10 lawfully delegated to him by the director;

11 (3) "Federal return" means any tax return required by chapter 11 of  
12 the Internal Revenue Code;

13 (4) "Federal tax" means a tax under chapter 11 of the Internal  
14 Revenue Code;

15 (5) "Gross estate" means "gross estate" as defined and used in  
16 section 2031 of the Internal Revenue Code;

17 (6) "Person" means any individual, estate, trust, receiver,  
18 cooperative association, club, corporation, company, firm, partnership,  
19 joint venture, syndicate, or other entity and, to the extent permitted  
20 by law, any federal, state, or other governmental unit or subdivision  
21 or agency, department, or instrumentality thereof;

22 (7) "Person required to file the federal return" means any person  
23 required to file a return required by chapter 11 of the Internal  
24 Revenue Code, such as the personal representative of an estate;

25 (8) "Property" means property included in the gross estate;

26 (9) "Resident" means a decedent who was domiciled in Washington at  
27 time of death;

28 (10) "Taxpayer" means a person upon whom tax is imposed under this  
29 chapter, including an estate or a person liable for tax under RCW  
30 83.100.120;

1 (11) "Transfer" means "transfer" as used in section 2001 of the  
2 Internal Revenue Code. However, "transfer" does not include a  
3 qualified heir disposing of an interest in property qualifying for a  
4 deduction under RCW 83.100.046 or ceasing to use the property for  
5 farming purposes;

6 (12) "Internal Revenue Code" means(~~(, for the purposes of this~~  
7 ~~chapter and RCW 83.110.010,)~~) the United States Internal Revenue Code  
8 of 1986, as amended or renumbered as of January 1, 2005;

9 (13)(a) "Washington taxable estate" means the federal taxable  
10 estate, less: (~~(a)~~) (i) One million five hundred thousand dollars  
11 for decedents dying before January 1, 2006; and (~~(b)~~) (ii) two  
12 million dollars for decedents dying on or after January 1, 2006; and  
13 (~~(c)~~) (iii) the amount of any deduction allowed under RCW 83.100.046;

14 (b) Beginning in calendar year 2014 and through calendar year 2016,  
15 the amount specified in (a)(ii) of this subsection must be increased by  
16 an additional one million dollars each year; and

17 (14) "Federal taxable estate" means the taxable estate as  
18 determined under chapter 11 of the Internal Revenue Code without regard  
19 to: (a) The termination of the federal estate tax under section 2210  
20 of the Internal Revenue Code or any other provision of law, and (b) the  
21 deduction for state estate, inheritance, legacy, or succession taxes  
22 allowable under section 2058 of the Internal Revenue Code.

23 **Sec. 2.** RCW 83.100.040 and 2010 c 106 s 234 are each amended to  
24 read as follows:

25 (1) Until January 1, 2017, a tax in an amount computed as provided  
26 in this section is imposed on every transfer of property located in  
27 Washington. For the purposes of this section, any intangible property  
28 owned by a resident is located in Washington. The tax authorized under  
29 this subsection (1) may not be imposed on or after January 1, 2017.

30 (2)(a) Except as provided in (b) of this subsection, the amount of  
31 tax is the amount provided in the following table:

32

33					Of Washington
34	If Washington Taxable		The amount of Tax Equals		Taxable Estate Value
35	Estate is at least	But Less Than	Initial Tax Amount	Plus Tax Rate %	Greater than

1	\$0	\$1,000,000	\$0	10.00%	\$0
2	\$1,000,000	\$2,000,000	\$100,000	14.00%	\$1,000,000
3	\$2,000,000	\$3,000,000	\$240,000	15.00%	\$2,000,000
4	\$3,000,000	\$4,000,000	\$390,000	16.00%	\$3,000,000
5	\$4,000,000	\$6,000,000	\$550,000	17.00%	\$4,000,000
6	\$6,000,000	\$7,000,000	\$890,000	18.00%	\$6,000,000
7	\$7,000,000	\$9,000,000	\$1,070,000	18.50%	\$7,000,000
8	\$9,000,000		\$1,440,000	19.00%	\$9,000,000

9 (b) If any property in the decedent's estate is located outside of  
10 Washington, the amount of tax is the amount determined in (a) of this  
11 subsection multiplied by a fraction. The numerator of the fraction is  
12 the value of the property located in Washington. The denominator of  
13 the fraction is the value of the decedent's gross estate. Property  
14 qualifying for a deduction under RCW 83.100.046 must be excluded from  
15 the numerator and denominator of the fraction.

16 (3) The tax imposed under this section is a stand-alone estate tax  
17 that incorporates only those provisions of the internal revenue code as  
18 amended or renumbered as of January 1, 2005, that do not conflict with  
19 the provisions of this chapter. The tax imposed under this chapter is  
20 independent of any federal estate tax obligation and is not affected by  
21 termination of the federal estate tax."

22 Correct the title.

EFFECT: Phases out the Washington estate tax by increasing the  
exclusion amount by \$1 million over 3 years, with complete termination  
of the tax in calendar year 2017.

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