
SENATE BILL 5940

State of Washington 63rd Legislature 2013 1st Special Session

By Senator Braun

Read first time 05/30/13. Referred to Committee on Ways & Means.

1 AN ACT Relating to adjusting the applicable exclusion and tax rates
2 on estate tax; and amending RCW 83.100.020 and 83.100.040.

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

4 **Sec. 1.** RCW 83.100.020 and 2013 c 23 s 341 are each amended to
5 read as follows:

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

9 (1)(a) "Applicable exclusion amount" means:

10 (i) One million five hundred thousand dollars for decedents dying
11 before January 1, 2006;

12 (ii) Two million dollars for estates of decedents dying on or after
13 January 2006, and before January 1, 2015;

14 (iii) Three million dollars for estates of decedents dying during
15 the 2015 calendar year;

16 (iv) Four million dollars for estates of decedents dying during the
17 2016 calendar year; and

18 (v) For estates of decedents dying after December 31, 2016, the
19 applicable exclusion amount equals the federal exclusion amount.

1 (b) For purposes of this subsection "federal exclusion amount"
2 means the estate's basic exclusion amount as determined under section
3 2010(c)(3) of the internal revenue code as existing on January 1, 2013.

4 (2) "Decedent" means a deceased individual((+)).

5 ((+2)) (3) "Department" means the department of revenue, the
6 director of that department, or any employee of the department
7 exercising authority lawfully delegated to him or her by the
8 director((+)).

9 ((+3)) (4) "Federal return" means any tax return required by
10 chapter 11 of the internal revenue code((+)).

11 ((+4)) (5) "Federal tax" means a tax under chapter 11 of the
12 internal revenue code((+)).

13 ((+5)) (6) "Gross estate" means "gross estate" as defined and used
14 in section 2031 of the internal revenue code((+)).

15 ((+6)) (7) "Person" means any individual, estate, trust, receiver,
16 cooperative association, club, corporation, company, firm, partnership,
17 joint venture, syndicate, or other entity and, to the extent permitted
18 by law, any federal, state, or other governmental unit or subdivision
19 or agency, department, or instrumentality thereof((+)).

20 ((+7)) (8) "Person required to file the federal return" means any
21 person required to file a return required by chapter 11 of the internal
22 revenue code, such as the personal representative of an estate((+)).

23 ((+8)) (9) "Property" means property included in the gross
24 estate((+)).

25 ((+9)) (10) "Resident" means a decedent who was domiciled in
26 Washington at time of death((+)).

27 ((+10)) (11) "Taxpayer" means a person upon whom tax is imposed
28 under this chapter, including an estate or a person liable for tax
29 under RCW 83.100.120((+)).

30 ((+11)) (12) "Transfer" means "transfer" as used in section 2001
31 of the internal revenue code. However, "transfer" does not include a
32 qualified heir disposing of an interest in property qualifying for a
33 deduction under RCW 83.100.046 or ceasing to use the property for
34 farming purposes((+)).

35 ((+12)) (13) "Internal revenue code" means, for the purposes of
36 this chapter and RCW 83.110.010, the United States internal revenue
37 code of 1986, as amended or renumbered as of January 1, 2005((+)).

1 ~~((+13))~~ (14) "Washington taxable estate" means the federal taxable
 2 estate(~~(, less: (a) One million five hundred thousand dollars for~~
 3 ~~decedents dying before January 1, 2006; and (b) two million dollars for~~
 4 ~~decedents dying on or after January 1, 2006; and (c))~~) less: (a) The
 5 applicable exclusion amount; (b) the amount of any deduction allowed
 6 under RCW 83.100.046; and (c) amounts allowed to be deducted from the
 7 Washington taxable estate under RCW 83.100.047.

8 ~~((+14))~~ (15) "Federal taxable estate" means the taxable estate as
 9 determined under chapter 11 of the internal revenue code without regard
 10 to: (a) The termination of the federal estate tax under section 2210
 11 of the internal revenue code or any other provision of law, and (b) the
 12 deduction for state estate, inheritance, legacy, or succession taxes
 13 allowable under section 2058 of the internal revenue code.

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

16 (1) A tax in an amount computed as provided in this section is
 17 imposed on every transfer of property located in Washington. For the
 18 purposes of this section, any intangible property owned by a resident
 19 is located in Washington.

20 (2)(a) Except as provided in (b) and (c) of this subsection, the
 21 amount of tax is the amount provided in the following table:

If Washington Taxable		The amount of Tax Equals		Of Washington
Estate is at least	But Less Than	Initial Tax Amount	Plus Tax Rate %	Taxable Estate Value
\$0	\$1,000,000	\$0	10.00%	\$0
\$1,000,000	\$2,000,000	\$100,000	14.00%	\$1,000,000
\$2,000,000	\$3,000,000	\$240,000	15.00%	\$2,000,000
\$3,000,000	\$4,000,000	\$390,000	16.00%	\$3,000,000
\$4,000,000	\$6,000,000	\$550,000	17.00%	\$4,000,000
\$6,000,000	\$7,000,000	\$890,000	18.00%	\$6,000,000
\$7,000,000	\$9,000,000	\$1,070,000	18.50%	\$7,000,000
\$9,000,000		\$1,440,000	19.00%	\$9,000,000

34 (b) If any property in the decedent's estate is located outside of
 35 Washington, the amount of tax is the amount determined in (a) of this

1 subsection multiplied by a fraction. The numerator of the fraction is
2 the value of the property located in Washington. The denominator of
3 the fraction is the value of the decedent's gross estate. Property
4 qualifying for a deduction under RCW 83.100.046 must be excluded from
5 the numerator and denominator of the fraction.

6 (c) The applicable tax rates due under this chapter are reduced for
7 estates of decedents dying after December 31, 2017, as follows:

8 (i) For fiscal year 2018, the applicable tax rate must be
9 multiplied by ninety-five percent;

10 (ii) For fiscal year 2019, the applicable tax rate must be
11 multiplied by ninety percent;

12 (iii) For fiscal year 2020, the applicable tax rate must be
13 multiplied by eighty-five percent;

14 (iv) For fiscal year 2021, the applicable tax rate must be
15 multiplied by eighty percent; and

16 (v) For fiscal year 2022 and thereafter, the applicable tax rate
17 must be multiplied by seventy-five percent.

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

24 NEW SECTION. Sec. 3. If any provision of this act or its
25 application to any person or circumstance is held invalid, the
26 remainder of the act or the application of the provision to other
27 persons or circumstances is not affected.

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