

SSB 5096 - S AMD TO S AMD (S-1657.6/21) **420**
By Senator Lias

ADOPTED 03/06/2021

1 On page 5, after line 17, insert the following:
2 "(2) A controlling interest in an entity only to the extent that
3 any long-term capital gain or loss from such sale or exchange is
4 directly attributable to the entity's interest in real property and
5 the sale or exchange was subject to tax under chapter 82.45 RCW. The
6 department is not bound by the parties' agreement as to the
7 allocation of consideration or fair market value, if such allocation
8 or fair market value does not reflect the fair market value of the
9 real property. For purposes of this subsection (2), "controlling
10 interest" has the same meaning as in RCW 82.45.033;"

11 Renumber the remaining subsections consecutively and correct any
12 internal references accordingly.

EFFECT: Exempts the sale of a controlling interest in a business entity from capital gains tax for the portion of the sale attributable to real estate if the transaction is also subject to real estate excise tax.

--- END ---