
HOUSE BILL 2196

State of Washington 52nd Legislature 1991 Regular Session

By Representative Brekke.

Read first time April 5, 1991. Referred to Committee on Revenue.

1 AN ACT Relating to the estate and transfer tax act; amending RCW
2 83.100.010, 83.100.020, 83.100.030, 83.100.040, and 83.100.045; and
3 adding a new section to chapter 83.100 RCW.

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

5 **Sec. 1.** RCW 83.100.010 and 1988 c 64 s 1 are each amended to read
6 as follows:

7 This chapter may be cited as the "Estate and Transfer Tax Act of
8 ((1988)) 1991."

9 **Sec. 2.** RCW 83.100.020 and 1990 c 224 s 1 are each amended to read
10 as follows:

11 As used in this chapter:

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

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

4 (3) "Federal credit" means (a) for a transfer, the maximum amount
5 of the credit for state taxes allowed by section 2011 of the United
6 States Internal Revenue Code of 1986, as amended or renumbered; and (b)
7 for a generation-skipping transfer, the maximum amount of the credit
8 for state taxes allowed by section 2604 of the United States Internal
9 Revenue Code of 1986, as amended or renumbered;

10 (4) "Federal return" means any tax return required by chapter 11 or
11 13 of the United States Internal Revenue Code of 1986, as amended or
12 renumbered, and any regulations thereunder;

13 (5) "Federal tax" means (a) for a transfer, a tax under chapter 11
14 of the United States Internal Revenue Code of 1986, as amended or
15 renumbered; and (b) for a generation-skipping transfer, the tax under
16 chapter 13 of the United States Internal Revenue Code of 1986, as
17 amended or renumbered;

18 (6) "Federal taxable estate" means taxable estate as defined in
19 section 2051 of the United States Internal Revenue Code of 1986;

20 (7) "Generation-skipping transfer" means a "generation-skipping
21 transfer" as defined and used in section 2611 of the United States
22 Internal Revenue Code of 1986, as amended or renumbered;

23 ~~((+7))~~ (8) "Gross estate" means "gross estate" as defined and used
24 in section 2031 of the United States Internal Revenue Code of 1986, as
25 amended or renumbered;

26 ~~((+8))~~ (9) "Net estate" means federal taxable estate, less
27 deductions allowed under this chapter;

28 (10) "Nonresident" means a decedent who was domiciled outside
29 Washington at his death;

1 (~~(9)~~) (11) "Person" means any individual, estate, trust,
2 receiver, cooperative association, club, corporation, company, firm,
3 partnership, joint venture, syndicate, or other entity and, to the
4 extent permitted by law, any federal, state, or other governmental unit
5 or subdivision or agency, department, or instrumentality thereof;

6 (~~(10)~~) (12) "Person required to file the federal return" means
7 any person required to file a return required by chapter 11 or 13 of
8 the Internal Revenue Code of 1986, as amended or renumbered, such as
9 the personal representative of an estate; or a transferor, trustee, or
10 beneficiary of a generation-skipping transfer; or a qualified heir with
11 respect to qualified real property, as defined and used in section
12 2032A(c) of the United States Internal Revenue Code of 1986, as amended
13 or renumbered;

14 (~~(11)~~) (13) "Property" means (a) for a transfer, property
15 included in the gross estate; and (b) for a generation-skipping
16 transfer, all real and personal property subject to the federal tax;

17 (~~(12)~~) (14) "Resident" means a decedent who was domiciled in
18 Washington at time of death;

19 (~~(13)~~) (15) "Transfer" means "transfer" as used in section 2001
20 of the United States Internal Revenue Code of 1986, as amended or
21 renumbered, or a disposition or cessation of qualified use as defined
22 and used in section 2032A(c) of the United States Internal Revenue Code
23 of 1986, as amended or renumbered; and

24 (~~(14)~~) (16) "Trust" means "trust" under Washington law and any
25 arrangement described in section 2652 of the Internal Revenue Code of
26 1986, as amended or renumbered.

27 (~~(15)~~) References in this chapter to the United States internal
28 revenue code of 1986, to a chapter of the code, and to regulations
29 under the code are to the code, chapters, and regulations in effect on
30 June 7, 1990.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 83.100 RCW
2 to read as follows:

3 In computing net estate, a deduction of six hundred thousand
4 dollars is allowed.

5 **Sec. 4.** RCW 83.100.030 and 1988 c 64 s 3 are each amended to read
6 as follows:

7 (1) A tax in an amount equal to the greater of the federal credit
8 or ten percent of the net estate is imposed on every transfer of
9 property of a resident.

10 (2) If the transfer is subject to a similar tax imposed by another
11 state (~~for which the federal credit is allowed~~), and if the tax
12 imposed by the other state is not qualified by a reciprocal provision
13 allowing the transfer to be taxed only in this state, the amount of the
14 tax due under this section shall be credited with the lesser of:

15 (a) The amount of the death tax paid the other state (~~and credited~~
16 ~~against the federal tax~~); or

17 (b) An amount computed by multiplying the (~~federal credit~~) amount
18 of tax imposed under this chapter by a fraction, the numerator of which
19 is the value of the property subject to the tax imposed by the other
20 state, and the denominator of which is the value of the decedent's
21 gross estate.

22 **Sec. 5.** RCW 83.100.040 and 1988 c 64 s 4 are each amended to read
23 as follows:

24 (1) A tax in an amount computed as provided in this section is
25 imposed on every transfer of property located in Washington of every
26 nonresident.

27 (2) The tax shall be computed by multiplying the greater of the
28 federal credit or the net estate by a fraction, the numerator of which

1 is the value of the property located in Washington, and the denominator
2 of which is the value of the decedent's gross estate, and then
3 multiplying the result by ten percent.

4 (3) The transfer of the property of a nonresident is exempt from
5 the tax imposed by this section to the extent that the property of
6 residents is exempt from taxation under the laws of the state in which
7 the nonresident is domiciled.

8 **Sec. 6.** RCW 83.100.045 and 1988 c 64 s 5 are each amended to read
9 as follows:

10 (1) A tax in an amount equal to the greater of the federal credit
11 or ten percent of the net estate is imposed on every
12 generation-skipping transfer, if real or tangible personal property
13 subject to the federal tax is located in this state or if the trust has
14 its principal place of administration in this state at the time of the
15 generation-skipping transfer.

16 (2) If the generation-skipping transfer is subject to a similar tax
17 imposed by another state (~~((for which the federal credit is allowed))~~),
18 the amount of the tax due under this section shall be credited with the
19 lesser of:

20 (a) The amount of the tax paid to the other state (~~((and credited~~
21 ~~against the federal tax))~~); or

22 (b) An amount computed by multiplying the (~~((federal credit))~~) amount
23 of tax imposed under this chapter by a fraction, the numerator of which
24 is the value of the property subject to the generation-skipping
25 transfer tax imposed by the other state, and the denominator of which
26 is the value of all property subject to the federal tax.