

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1076**

Chapter 161, Laws of 1993

53rd Legislature  
1993 Regular Session

DECEDEENTS' ESTATES--DISTRIBUTION OF INCOME EARNED  
DURING ADMINISTRATION

EFFECTIVE DATE: 7/25/93

Passed by the House March 8, 1993  
Yeas 97 Nays 0

BRIAN EBERSOLE  
**Speaker of the  
House of Representatives**

Passed by the Senate April 12, 1993  
Yeas 47 Nays 0

JOEL PRITCHARD  
**President of the Senate**

Approved April 30, 1993

MIKE LOWRY  
**Governor of the State of Washington**

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1076** as passed by the House of Representatives and the Senate on the dates hereon set forth.

ALAN THOMPSON  
**Chief Clerk**

FILED

April 30, 1993 - 2:14 p.m.

**Secretary of State  
State of Washington**

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HOUSE BILL 1076

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Passed Legislature - 1993 Regular Session

State of Washington                      53rd Legislature                      1993 Regular Session

By Representatives Ludwig, Padden, Appelwick, Orr and Johanson

Read first time 01/13/93. Referred to Committee on Judiciary.

1            AN ACT Relating to the distribution of income earned during  
2 administration of a decedent's estate; and amending RCW 11.104.050.

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

4            **Sec. 1.** RCW 11.104.050 and 1985 c 30 s 88 are each amended to read  
5 as follows:

6            (1) Unless the will or the court otherwise provides and subject to  
7 subsection (2) of this section, all expenses incurred in connection  
8 with the settlement of a decedent's estate, including debts, funeral  
9 expenses, estate taxes, interest due at death, and penalties concerning  
10 taxes, family allowances, fees of attorneys and personal  
11 representatives, and court costs shall be charged against the principal  
12 of the estate, except that the principal shall be reimbursed from  
13 income for any increase in estate taxes due to the use of  
14 administration expenses that were paid from principal as deductions for  
15 income tax purposes.

16            (2) Unless the will or the court otherwise provides, income from  
17 the assets of a decedent's estate after the death of the testator and  
18 before distribution, including income from property used to discharge

1 liabilities, shall be determined in accordance with the rules  
2 applicable to a trust under this chapter and distributed as follows:

3 (a) To beneficiaries of any specific bequest, legacy, or devise,  
4 the income from the property bequeathed or devised to them  
5 respectively, less taxes, ordinary repairs, and other expenses of  
6 management and operation of the property, and appropriate portions of  
7 interest accrued since the death of the testator and of taxes imposed  
8 on income (excluding taxes on capital gains) which accrue during the  
9 period of administration;

10 (b) Subject to (c) of this subsection, to all other beneficiaries,  
11 including trusts, the balance of the income less the balance of taxes,  
12 ordinary repairs, and other expenses of management and operation of all  
13 property from which the estate is entitled to income, plus the balance  
14 of all income accrued since the death of the testator, and less the  
15 balance of all taxes imposed on income (excluding taxes on capital  
16 gains) which accrue during the period of administration, in proportion  
17 to their respective interests in the undistributed assets of the estate  
18 computed at times of distribution on the basis of the fair value,  
19 provided, that the amount of income earned before the date or dates of  
20 payment of any estate or inheritance tax shall be distributed to those  
21 beneficiaries in proportion to their interests immediately before the  
22 making of those payments. A personal representative who has been  
23 granted nonintervention powers under chapter 11.68 RCW may determine  
24 the time and manner of distributing the income to a beneficiary  
25 entitled to receive the income including:

26 (i) A residuary beneficiary; and

27 (ii) A testamentary trust beneficiary to whom trust income must be  
28 distributed or, if the trustee named in the will approves or ratifies  
29 the distribution, to whom trust income may be distributed; and

30 (c) Pecuniary bequests not in trust do not receive income, and,  
31 subject to the provisions of RCW 11.56.160, all such bequests,  
32 including those to the decedent's surviving spouse, are not allocated  
33 any share of the expenses identified in subsection (2)(b) of this  
34 section.

35 (3) Any income with respect to which the income taxes have been  
36 paid which is payable in whole or in part to one or more charitable or  
37 other tax exempt organizations, and for which an income tax charitable  
38 deduction was allowable, shall be allocated among the distributees in  
39 such manner that the diminution in such taxes resulting from the

1 charitable deduction allowable will inure to the benefit of the  
2 charitable or tax exempt organization giving rise to the deduction.  
3 (4) Income received by a trustee under subsection (2) of this  
4 section shall be treated as income of the trust.

Passed the House March 8, 1993.

Passed the Senate April 12, 1993.

Approved by the Governor April 30, 1993.

Filed in Office of Secretary of State April 30, 1993.