

HOUSE BILL REPORT

SB 6140

As Reported By House Committee On:
Judiciary

Title: An act relating to references in instruments to section 2033A of the internal revenue code.

Brief Description: Updating probate and trust laws.

Sponsors: Senators Johnson, Heavey and Gardner.

Brief History:

Committee Activity:

Judiciary: 2/22/00, 2/25/00 [DP].

Brief Summary of Bill

- Provides that when a citation to a particular section of prior federal law has been made in a will, trust, or other instrument, that citation is now deemed to be a citation to the equivalent provision of the current restructured federal law.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: Do pass. Signed by 12 members: Representatives Carrell, Republican Co-Chair; Constantine, Democratic Co-Chair; Hurst, Democratic Vice Chair; Lambert, Republican Vice Chair; Cox; Dickerson; Esser; Kastama; Lantz; Lovick; McDonald and Schindler.

Staff: Bill Perry (786-7123).

Background:

Congress restructured the Internal Revenue Code in 1998. Part of the restructuring involved changing the citation of a section of the federal code that covers a particular estate tax exclusion. The exclusion allows up to \$675,000 of the value of a qualified family-owned business to be deducted from the value of an estate for purposes of federal estate taxes.

Many existing wills, trusts, and other documents subject to the state's probate code contain references to the old citation for this federal exclusion.

Summary of Bill:

A provision is added to the probate code to reflect the 1998 restructuring of the federal tax law.

In a will, trust, or other document, a citation to the prior federal law dealing with the estate tax exclusion of a family-owned business is deemed to be a citation to the comparable provision of the new restructured Internal Revenue Code.

The act applies to anyone dying after December 31, 1997.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The bill provides an important technical update to reflect changes in the federal tax law.

Testimony Against: None.

Testified: Senator Johnson, prime sponsor; and Al Montgomery, Washington State Bar Association.