

**SHB 1254 - S AMD 281**

By Senator Schoesler

**NOT ADOPTED 04/05/2023**

1 On page 5, after line 22, insert the following:

2 "Sec. 4. RCW 83.100.020 and 2013 2nd sp.s. c 2 s 2 are each  
3 reenacted and amended to read as follows:

4 The definitions in this section apply throughout this chapter  
5 unless the context clearly requires otherwise.

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

7 (i) ~~((One million five hundred thousand dollars for decedents  
8 dying before January 1, 2006;~~

9 ~~(ii) Two million dollars for estates of decedents dying on or  
10 after January 1, 2006, and before January 1, 2014; and~~

11 ~~(iii))~~ \$2,193,000 for estates of decedents dying on or before  
12 January 1, 2023; and

13 (ii) For estates of decedents dying in calendar year ~~((2014))~~  
14 2024 and each calendar year thereafter, the amount in (a) ~~(((iii)))~~ (i)  
15 of this subsection must be adjusted annually, except as otherwise  
16 provided in this subsection ~~(1) (a) ~~(((iii)))~~~~ (ii). The annual  
17 adjustment is determined by multiplying ~~((two million dollars))~~  
18 \$2,193,000 by the sum of one plus the percentage by which the most  
19 recent October consumer price index exceeds the consumer price index  
20 for October ~~((2012))~~ 2022, and rounding the result to the nearest  
21 ~~((one thousand dollars))~~ \$1,000. No adjustment is made for a calendar  
22 year if the adjustment would result in the same or a lesser  
23 applicable exclusion amount than the applicable exclusion amount for  
24 the immediately preceding calendar year. The applicable exclusion  
25 amount under this subsection ~~(1) (a) ~~(((iii)))~~~~ (ii) for the decedent's  
26 estate is the applicable exclusion amount in effect as of the date of  
27 the decedent's death.

28 (b) For purposes of this subsection (1), "consumer price index"  
29 means the consumer price index for all urban consumers, all items,  
30 for the Seattle ~~((Tacoma-Bremerton metropolitan))~~ area as calculated  
31 by the United States bureau of labor statistics.

32 (2) "Decedent" means a deceased individual.

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

4 (4) "Federal return" means any tax return required by chapter 11  
5 of the internal revenue code.

6 (5) "Federal tax" means a tax under chapter 11 of the internal  
7 revenue code.

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

15 (7) "Gross estate" means "gross estate" as defined and used in  
16 section 2031 of the internal revenue code.

17 (8) "Internal revenue code" means the United States internal  
18 revenue code of 1986, as amended or renumbered as of January 1, 2005.

19 (9) "Person" means any individual, estate, trust, receiver,  
20 cooperative association, club, corporation, company, firm,  
21 partnership, joint venture, syndicate, or other entity and, to the  
22 extent permitted by law, any federal, state, or other governmental  
23 unit or subdivision or agency, department, or instrumentality  
24 thereof.

25 (10) "Person required to file the federal return" means any  
26 person required to file a return required by chapter 11 of the  
27 internal revenue code, such as the personal representative of an  
28 estate.

29 (11) "Property" means property included in the gross estate.

30 (12) "Resident" means a decedent who was domiciled in Washington  
31 at time of death.

32 (13) "Taxpayer" means a person upon whom tax is imposed under  
33 this chapter, including an estate or a person liable for tax under  
34 RCW 83.100.120.

35 (14) "Transfer" means "transfer" as used in section 2001 of the  
36 internal revenue code and includes any shifting upon death of the  
37 economic benefit in property or any power or legal privilege  
38 incidental to the ownership or enjoyment of property. However,  
39 "transfer" does not include a qualified heir disposing of an interest

1 in property qualifying for a deduction under RCW 83.100.046 or  
2 ceasing to use the property for farming purposes.

3 (15) "Washington taxable estate" means the federal taxable estate  
4 and includes, but is not limited to, the value of any property  
5 included in the gross estate under section 2044 of the internal  
6 revenue code, regardless of whether the decedent's interest in such  
7 property was acquired before May 17, 2005, (a) plus amounts required  
8 to be added to the Washington taxable estate under RCW 83.100.047,  
9 (b) less: (i) The applicable exclusion amount; (ii) the amount of any  
10 deduction allowed under RCW 83.100.046; (iii) amounts allowed to be  
11 deducted from the Washington taxable estate under RCW 83.100.047; and  
12 (iv) the amount of any deduction allowed under RCW 83.100.048.

13 NEW SECTION. **Sec. 5.** Section 4 of this act applies both  
14 retroactively and prospectively to estates of decedents dying on or  
15 after January 1, 2023."

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16 On page 1, line 3 of the title, after "adjustments;" strike "and"

17 On page 1, line 3 of the title, after "82.21.030" insert ";  
18 reenacting and amending RCW 83.100.020; and creating a new section"

EFFECT: Reinstates the inflation adjustment for the estate tax  
exclusion amount.

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