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HOUSE BILL 1484

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State of Washington

68th Legislature

2023 Regular Session

By Representatives Orcutt and Jacobsen

Read first time 01/20/23. Referred to Committee on Finance.

1 AN ACT Relating to updating the estate tax exclusion amount;  
2 reenacting and amending RCW 83.100.020; and providing an effective  
3 date.

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

5 **Sec. 1.** RCW 83.100.020 and 2013 2nd sp.s. c 2 s 2 are each  
6 reenacted and amended to read as follows:

7 The definitions in this section apply throughout this chapter  
8 unless the context clearly requires otherwise.

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

10 (i) (~~One million five hundred thousand dollars~~) \$1,500,000 for  
11 decedents dying before January 1, 2006;

12 (ii) (~~Two million dollars~~) \$2,000,000 for estates of decedents  
13 dying on or after January 1, 2006, and before January 1, 2014;  
14 ((and))

15 (iii) \$2,012,000 for estates of decedents dying on or after  
16 January 1, 2014, and before January 1, 2015;

17 (iv) \$2,054,000 for estates of decedents dying on or after  
18 January 1, 2015, and before January 1, 2016;

19 (v) \$2,079,000 for estates of decedents dying on or after October  
20 1, 2016, but before October 22, 2016;

1 (vi) \$2,129,000 for estates of decedents dying on or after  
2 October 22, 2016, but before January 1, 2018;

3 (vii) \$2,193,000 for estates of decedents dying on or after  
4 January 1, 2018, but before August 1, 2023;

5 (viii) \$2,659,000 for estates for decedents dying on or after  
6 August 1, 2023; and

7 (ix) For estates of decedents dying in calendar year ((2014))  
8 2024 and each calendar year thereafter, the amount in (a)((+(ii)))  
9 (viii) of this subsection must be adjusted annually, except as  
10 otherwise provided in this subsection (1)(a)((+(iii))) (ix). The  
11 annual adjustment is determined by multiplying ((two—million  
12 dollars)) \$2,659,000 by the sum of one plus the percentage by which  
13 the most recent October consumer price index exceeds the consumer  
14 price index for October ((2012)) 2022, and rounding the result to the  
15 nearest ((one thousand dollars)) \$1,000. No adjustment is made for a  
16 calendar year if the adjustment would result in the same or a lesser  
17 applicable exclusion amount than the applicable exclusion amount for  
18 the immediately preceding calendar year. The applicable exclusion  
19 amount under this subsection (1)(a)((+(iii))) (ix) for the decedent's  
20 estate is the applicable exclusion amount in effect as of the date of  
21 the decedent's death.

22 (b) For purposes of this subsection (1), "consumer price index"  
23 means the consumer price index for all urban consumers, all items,  
24 for the Seattle(~~-Tacoma-Bremerton metropolitan~~) area as calculated  
25 by the United States bureau of labor statistics. For the purposes of  
26 this subsection (1)(b), "Seattle area" means the geographic area  
27 sample that includes Seattle and surrounding areas.

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

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

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

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

36 (6) "Federal taxable estate" means the taxable estate as  
37 determined under chapter 11 of the internal revenue code without  
38 regard to: (a) The termination of the federal estate tax under  
39 section 2210 of the internal revenue code or any other provision of  
40 law, and (b) the deduction for state estate, inheritance, legacy, or

1 succession taxes allowable under section 2058 of the internal revenue  
2 code.

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

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

7 (9) "Person" means any individual, estate, trust, receiver,  
8 cooperative association, club, corporation, company, firm,  
9 partnership, joint venture, syndicate, or other entity and, to the  
10 extent permitted by law, any federal, state, or other governmental  
11 unit or subdivision or agency, department, or instrumentality  
12 thereof.

13 (10) "Person required to file the federal return" means any  
14 person required to file a return required by chapter 11 of the  
15 internal revenue code, such as the personal representative of an  
16 estate.

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

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

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

23 (14) "Transfer" means "transfer" as used in section 2001 of the  
24 internal revenue code and includes any shifting upon death of the  
25 economic benefit in property or any power or legal privilege  
26 incidental to the ownership or enjoyment of property. However,  
27 "transfer" does not include a qualified heir disposing of an interest  
28 in property qualifying for a deduction under RCW 83.100.046 or  
29 ceasing to use the property for farming purposes.

30 (15) "Washington taxable estate" means the federal taxable estate  
31 and includes, but is not limited to, the value of any property  
32 included in the gross estate under section 2044 of the internal  
33 revenue code, regardless of whether the decedent's interest in such  
34 property was acquired before May 17, 2005, (a) plus amounts required  
35 to be added to the Washington taxable estate under RCW 83.100.047,  
36 (b) less: (i) The applicable exclusion amount under subsection (1) of  
37 this section; (ii) the amount of any deduction allowed under RCW  
38 83.100.046; (iii) amounts allowed to be deducted from the Washington  
39 taxable estate under RCW 83.100.047; and (iv) the amount of any  
40 deduction allowed under RCW 83.100.048.

1        NEW SECTION.    **Sec. 2.**    This act takes effect August 1, 2023.

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