

6347

Sponsor(s): Senators Johnson and Brown

Brief Description: Updating the Washington estate tax marital deduction.

SB 6347 - DIGEST

Finds that significant changes have been made in the federal estate tax laws and that an unintended consequence of these federal estate tax law changes has been to create difficulties and confusion in the administration and enforcement of the Washington estate tax.

Finds that since 1981 one goal of the Washington estate tax has been, for married taxpayers, to allow postponement of the Washington estate tax until the surviving spouse dies, to avoid economic hardship in families and communities throughout the state.

Finds that many Washington taxpayers are still unaware of these federal estate tax law changes, have not updated their estate planning documents to permit postponement of the Washington estate tax, and, despite the efforts of the department of revenue, in good faith, have failed to comply with Washington estate tax reporting and payment requirements.

Declares that this act is needed to ensure a fair and balanced estate tax system, a reasonable opportunity for a surviving spouse to postpone the Washington estate tax until the surviving spouse dies, and the level of taxpayer compliance which Washingtonians expect. This act shall be construed and applied liberally as required to realize the decedents' reasonable expectations.

Provides that the legislature specifically approves excise tax advisory no. 2013-57-015 issued May 19, 2003, by the department of revenue, conferring on an executor the authority to make a marital deduction election for purposes of the Washington estate tax similar to the qualified terminable interest property election under Internal Revenue Code section 2056(b)(7) of the Internal Revenue Code.

Declares an intent that chapter 11.108 RCW apply to a trust for which a Washington election similar to the qualified terminable interest property election under Internal Revenue Code section 2056(b)(7) of the Internal Revenue Code is made.