

**SB 6096** - S AMD 613 TO S AMD (S3422.1)  
By Senators Zarelli and Johnson

NOT ADOPTED 4/19/05

1 On page 3, line 8, strike "section 4" and insert "section 4 or 5"

2 One page 4, line 13,strike "section 4" and insert "section 4 or 5"

3 On page 9, after line 11, insert the following:

4 "NEW SECTION. Sec. 5. A new section is added to chapter 83.100 RCW  
5 to read as follows:

6 (1) For the purposes of determining the Washington taxable  
7 estate, a deduction is allowed from the federal taxable estate of up to  
8 one million dollars for the adjusted value of qualified family-owned  
9 business interests of the decedent determined as provided in section  
10 2057(d) of the Internal Revenue Code. This deduction applies only if  
11 the requirements of section 2057(b)(1)(A), (C), and (D) of the Internal  
12 Revenue Code are met and the qualified family-owned business interest  
13 is acquired by any qualified heir from, or passed to any qualified heir  
14 from, the decedent, within the meaning of section 2032A(e)(9) of the  
15 Internal Revenue Code. Only property in the federal taxable estate and  
16 not deductible under section 4 of this act may be deducted under this  
17 subsection. For the purposes of determining the deduction amount, the  
18 value of property is its value as used to determine the value of the  
19 gross estate. For purposes of this subsection, the following  
20 definitions apply:

21 (i) "Qualified family-owned business interest" has the same meaning  
22 as in section 2057(e) of the Internal Revenue Code."

23 (ii) Qualified heir- has the same meaning as in section 2057(i) of  
24 the Internal Revenue Code.

25 (2)The one million dollar maximum deduction in this section shall  
26 grow each year by the previous calendar year's annual average consumer  
27 price index, using the official current base, compiled by the bureau of  
28 labor statistics, United States department of labor for the state of  
29 Washington. If the bureau of labor statistics develops more than one  
30 consumer price index for areas within the state, the index covering the

1 greatest number of people, covering areas exclusively within the  
2 boundaries of the state, and including all items shall be used for the  
3 index in this section."

4 Renumber the sections consecutively and correct any internal  
5 references accordingly.

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**EFFECT:** Providing for a deduction of up to \$1 million from the gross estate for the value of a qualified family-owned business interest of the decedent. The \$1 million maximum deduction shall grow each year by the Seattle consumer price index.