H-0016.2

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**HOUSE BILL 1484**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Orcutt and Jacobsen

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) "Decedent" means a deceased individual.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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