

**ESSB 6346** - H AMD TO H AMD (H-3793.3/26) **2583**

By Representative Dent

**NOT ADOPTED 03/09/2026**

1 On page 5, line 15 of the striking amendment, after "302 through"  
2 strike "309" and insert "310"

3

4 On page 5, line 18 of the striking amendment, after "sections"  
5 strike all material through "act" and insert "310 through 315 of this  
6 act, except that any gain deferred under section 1031 of the internal  
7 revenue code is not considered Washington taxable income until such  
8 time as it is recognized for federal income tax purposes"

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10 On page 8, line 19 of the striking amendment, after "302 through"  
11 strike "309" and insert "310"

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13 On page 11, after line 15 of the striking amendment, insert the  
14 following:

15

16 NEW SECTION. Sec. 309. QUALIFYING RETIRING FARMER DEDUCTION. In  
17 computing a taxpayer's Washington base income, the taxpayer must  
18 deduct from the taxpayer's adjusted gross income any income reported  
19 on federal schedule F for a farmer who has sold at least 50 percent of  
20 their business assets and is transitioning to retirement within a  
21 taxable year. For the purposes of this section, "farmer" has the same  
22 meaning as in RCW 82.04.213.

23

24 NEW SECTION. Sec. 310. INVOLUNTARY CONVERSION DEDUCTION. In  
25 computing a taxpayer's Washington base income, the taxpayer must  
26 deduct from the taxpayer's adjusted gross income any income recognized  
27 as a result of an involuntary conversion, including condemnation or

1 the threat of eminent domain, of real property used in a trade of  
2 businesses.

3  
4 NEW SECTION. **Sec. 311.** AGRICULTURAL SECTION 1250 PROPERTY. In  
5 determining a taxpayer's Washington taxable income, the taxpayer may  
6 deduct from the taxpayer's Washington base income any gain from the  
7 sale or exchange of section 1250 property as defined in section  
8 1250(c) of the internal revenue code that is used primarily for  
9 agricultural purposes."

10  
11 Renumber the remaining sections consecutively and correct any  
12 internal references accordingly.  
13

EFFECT: Provides a deduction from a taxpayer's Washington base income for the proceeds of the sale of the business assets of a retiring farmer. Provides a deduction from a taxpayer's Washington taxable income for gains from the sale or exchange of Section 1250 property that is used primarily for agricultural purposes. Provides that any gains deferred under Section 1031 for federal purposes will also be deferred for Washington income taxes.

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