

# FINAL BILL REPORT

## ESB 6347

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Synopsis as Enacted

**Brief Description:** Undoing certain changes to the estate tax.

**Sponsors:** Senators Kauffman, Slatter, Dhingra and Liias.

**Senate Committee on Ways & Means**

**House Committee on Finance**

**Background:** Estate Tax. The estate tax is a tax on the right to transfer property at the time of death. The tax is sometimes referred to as a transfer tax. Unlike an inheritance tax, which is tax on the beneficiaries of an estate, the estate tax is on the decedent's estate. A Washington decedent or a non-resident decedent who owns property in this state may owe estate tax depending on the value of their estate. A person living in Washington who inherits property or money does not owe Washington taxes on the inheritance.

The tax applies to all property owned by the decedent on the date of death. The term property includes real estate and other property located in this state, as well as intangible assets owned by a Washington resident, regardless of location. After subtracting certain allowable deductions and a set exclusion amount, the remaining taxable estate is subject to a graduated rate schedule. An estate tax return is not required to be filed unless the gross estate is equal to or greater than the applicable exclusion amount.

The 2025 Legislature modified the rate schedule. The following table summarizes the rates for a Washington taxable estate.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

| <b>Washington Taxable Estate Value</b> | <b>Rate for Estates of Decedents Dying before July 1, 2025</b> | <b>Rate for Estates of Decedents Dying on or after July 1, 2025</b> |
|--|--|---|
| \$0 to \$1,000,000                     | 10%  | 10%   |
| \$1,000,000 to \$2,000,000             | 14%  | 15%   |
| \$2,000,000 to \$3,000,000             | 15%  | 17%   |
| \$3,000,000 to \$4,000,000             | 16%  | 19%   |
| \$4,000,000 to \$6,000,000             | 18%  | 23%   |
| \$6,000,000 to \$7,000,000             | 19%  | 26%   |
| \$7,000,000 to \$9,000,000             | 19.5%  | 30%   |
| \$9,000,000 and up                     | 20%  | 35%   |

The 2025 Legislature also made other changes to the estate tax, including increasing the estate tax applicable exclusion amount from \$2.193 million to \$3 million for estates of decedents dying on or after July 1, 2025, and updating the consumer price index (CPI) reference. The exclusion amount is adjusted annually by the Department of Revenue using the Seattle metropolitan area October CPI.

The proceeds of the estate tax are deposited into the Education Legacy Trust Account (ELTA). The ELTA may be used only for the support of the common schools, expanding access to higher education through funding for new enrollments and financial aid, and other educational improvement efforts.

**Summary:** For estates of decedents dying on or after July 1, 2026, the estate tax rates are adjusted as follows:

| <b>Washington Taxable Estate Value</b> | <b>Rate for Estates of Decedents Dying on or after July 1, 2026</b> |
|--|---|
| \$0 to \$1,000,000                     | 10%   |
| \$1,000,000 to \$2,000,000             | 14%   |
| \$2,000,000 to \$3,000,000             | 15%   |
| \$3,000,000 to \$4,000,000             | 16%   |
| \$4,000,000 to \$6,000,000             | 18%   |
| \$6,000,000 to \$7,000,000             | 19%   |
| \$7,000,000 to \$9,000,000             | 19.5%   |
| \$9,000,000 and up                     | 20%   |

The exclusion amount changes to \$3 million for decedents dying on or after July 1, 2026

and changes the CPI reference to CPI for the Seattle-Tacoma-Bremerton metropolitan area.

**Votes on Final Passage:**

**Senate** 38 11

**House** 85 8 (House amended)

**Senate** 39 10 (Senate concurred)

**Effective:** June 11, 2026