
SENATE BILL 5405

State of Washington

69th Legislature

2025 Regular Session

By Senator Schoesler

1 AN ACT Relating to updating the inflation adjustment for the
2 estate tax exclusion amount; reenacting and amending RCW 83.100.020;
3 and creating a new section.

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

5 **Sec. 1.** RCW 83.100.020 and 2013 2nd sp.s. c 2 s 2 are each
6 reenacted and amended to read as follows:

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

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

10 (i) ~~((One million five hundred thousand dollars for decedents~~
11 ~~dying before January 1, 2006;~~

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

14 ~~(iii))~~ \$2,193,000 for estates of decedents dying before January
15 1, 2026; and

16 (ii) For estates of decedents dying in calendar year ~~((2014))~~
17 2026 and each calendar year thereafter, the amount in (a) ~~((+ii))~~ (i)
18 of this subsection must be adjusted annually, except as otherwise
19 provided in this subsection (1)(a) ~~((+iii))~~ (ii). The annual
20 adjustment is determined by multiplying ~~((two million dollars))~~
21 \$2,193,000 by the sum of one plus the percentage by which the most

1 recent October consumer price index exceeds the consumer price index
2 for October ((2012)) 2024, and rounding the result to the nearest one
3 thousand dollars. No adjustment is made for a calendar year if the
4 adjustment would result in the same or a lesser applicable exclusion
5 amount than the applicable exclusion amount for the immediately
6 preceding calendar year. The applicable exclusion amount under this
7 subsection (1)(a)((~~iii~~)) (ii) for the decedent's estate is the
8 applicable exclusion amount in effect as of the date of the
9 decedent's death.

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

17 (2) "Decedent" means a deceased individual.

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

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

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

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

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

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

36 (9) "Person" means any individual, estate, trust, receiver,
37 cooperative association, club, corporation, company, firm,
38 partnership, joint venture, syndicate, or other entity and, to the
39 extent permitted by law, any federal, state, or other governmental

1 unit or subdivision or agency, department, or instrumentality
2 thereof.

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

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

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

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

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

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

30 NEW SECTION. **Sec. 2.** RCW 82.32.805 and 82.32.808 do not apply
31 to this act.

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