State of Washington
Department of Revenue
Special Programs Division
PO Box 47488
Olympia WA 98504-7488

Washington State Estate Tax Addendum # 4
Apportionment for Out of State Property

(Submit only if applicable; see instructions)

Part 1 - Decedent (type or print in ink):

1. Decedent's first name	2. M. I.	3. Decedent's last name	4. Social Security number

Part 2 - Out of State Property Requirements: All of the decedent's property (intangible personal property, tangible personal property, and real property), where ever located, must be reported on the appropriate schedules when filing the Washington estate tax return. In order to be eligible for apportionment, you must answer "Yes" to one of the following questions:

1. Did the decedent, who was **domiciled in Washington**, own tangible personal property or real property that was located outside the state of Washington on the date of death? ..... 1. ☐ Yes ☐ No

   Note: *All intangible personal property where ever located, tangible personal property located in Washington, and real property located in Washington are considered in state property for a* ***Washington domiciled decedent****.*

2. Did the decedent, who was **domiciled outside of Washington**, own tangible personal property or real property that was located in the state of Washington on the date of death? ..... 2. ☐ Yes ☐ No

   Note: *All intangible personal property where ever located, tangible personal property located outside of Washington, and real property located outside of Washington are considered out of state property for a* ***decedent domiciled outside of Washington****.*

If the decedent was domiciled in Washington and the answer to Question 1 is "No" or was domiciled outside of Washington and the answer to Question 2 is "No", then STOP, the estate is not eligible to apportion for out of state property. ***Either enter zero or leave blank the apportionment line on the estate tax return (Page 1, Part 2, Line 9).*** If the answer is "Yes" to one of the questions, you may continue on to Part 3.

Part 3 - Identify Out of State Property: Attach a sheet if necessary. *Do not include any property already included in the farm deduction.*

Schedule / Item	Brief Description	Fair Market Value at Valuation Date

Total value of out of state property (including subtotal from attached sheet, if any): ..... _____

Part 4 - Computation of Apportionment for Out of State Property:

1. Total Gross Estate Less Exclusion from estate tax return (Page 1, Part 2, Line 1) ..... 1. _____
2. Allowable deduction amount for farm deduction from Addendum # 2 (Part 3, Line 6) ..... 2. _____
3. Adjusted gross estate for determining out of state property (Line 1 less Line 2) ..... 3. _____
4. Adjusted gross estate less out of state property (Line 3 less total from Part 3 above) ..... 4. _____
5. Gross Washington estate tax from estate tax return (Page 1, Part 2, Line 8) ..... 5. _____
6. Apportioned Washington estate tax due (Line 4 divided by Line 3, multiplied by Line 5).
   Take this amount to the estate tax return (Page 1, Part 2, Line 9). ..... 6. _____

   Note: *This is a continuous calculation. Do not round any portion of the Line 6 calculation. Rounding can significantly change the tax due amount, causing an incorrect amount of tax paid.*

Under penalty of law, I declare that, to the best of my knowledge and belief, the above information is true, correct, and complete.

_____ (Signature of executor)

_____ (Date)

For tax assistance visit dor.wa.gov or call (360) 534-1503, option 2. To inquire about the availability of this document in an alternate format, please call 1-800-647-7706. Teletype (TTY) users may use the Washington relay Service by calling 711.

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ADDENDUM # 4 - APPORTIONMENT FOR OUT OF STATE PROPERTY INSTRUCTIONS

WHO MUST FILE This addendum must be completed and filed with the Washington State Estate and Transfer Tax Return if the decedent died on or after January 1, 2014, and the estate is eligible to apportion for out of state property.

APPLICABLE LAWS AND RULES The applicable laws and rules are Revised Code of Washington (RCW) 83.100.040 and Washington Administrative Code (WAC) 458-57-125. **These instructions contain a general overview; see the applicable laws and rules for complete details.**

OUT OF STATE PROPERTY Out of state property in general terms means property that is physically located outside the state of Washington. Intangible personal property is allocated to the state of domicile of the decedent. For a decedent domiciled in Washington on the date of death, any intangible personal property is considered in state property. For a decedent domiciled outside of Washington, any intangible personal property is considered out of state property. Trust assets included in the gross estate of the decedent are identified as in state or out of state property based on the physical location for tangible personal property and real property or the decedent's domicile for intangible personal property.

EXAMPLES OF PROPERTY Tangible personal property includes, but is not limited to, furniture, vehicles, boats, machinery, tools, artwork, antiques, and jewelry. Real property includes, but is not limited to, land, mineral interests, houses, and condominiums. Intangible personal property includes, but is not limited to, stocks, bonds, interests in partnerships, life insurance, annuities, bank accounts, business interests, royalties, retirement plans, and IRAs.

Real property owned by a limited liability company (LLC) operating for a true business purpose is considered an intangible asset and is allocated to the decedent's state of domicile. The value of a decedent's ownership interest in a LLC created to hold real estate and not operating for a true business purpose (for example a family vacation home) is allocated to the real property location. The same would be true for any type of business interest ownership (LLC, family limited partnership, corporation, etc.); the ownership interest is based on operating for a true business purpose to determine whether the asset is tangible or intangible.

DOMICILE The decedent's domicile at time of death is the permanent legal home that the decedent intended to use for an indefinite or unlimited period, and to which, when absent, the decedent intended to return. The question of domicile is mainly a matter of intention as indicated by the decedent's actions. The estate must be able to show that the decedent intends a given place or state to be his or her permanent home. Several factors are considered when determining domicile and include:

- Decedent's address reported on the federal income tax return,
- Where the decedent is registered to vote,
- Location of property owned by the decedent,
- Decedent's citizenship,
- Length of residency of the decedent, and
- Decedent's business or social ties to the community.

The amount of time spent in one place does not always explain the difference between home and domicile. A temporary home or residence may continue for months or years while a domicile may be established the first moment the property is occupied. The intent is the determining factor in proving where a decedent is domiciled. If there is a question as to what the domicile for the decedent is, complete the Affidavit Substantiating Decedent's State of Domicile at Death form. The form's URL is: http://dor.wa.gov/Docs/forms/Misc/AffdvtDecStateDomicile.pdf. The Department will review the completed form to determine the decedent's domicile.

WHAT IS APPORTIONED Estate tax is first determined on the entire estate as if all property is Washington property. After calculating the estate tax due on the entire estate, the out of state property is apportioned out of the estate tax due. For a Washington domiciled decedent the estate tax is apportioned for any out of state tangible personal property or out of state real property. For an out of state domiciled decedent the estate tax is apportioned on any intangible personal property, out of state tangible personal property and out of state real property.

PART 1 - DECEDENT

Items 1-4 - Decedent's Information

Enter the decedent's full name and social security number.

PART 2 - OUT OF STATE PROPERTY REQUIREMENTS

Check the appropriate box for the applicable question. The estate can only apportion the estate tax if one of the questions is answered "Yes." ***If either a Washington domiciled decedent's answer to Line 1 or an out of state domiciled decedent's answer to Line 2 is "No," the estate may not apportion the estate tax; do not complete or submit the addendum with your estate tax filing.***

Line 1 - Washington Domiciled Decedent

Check the "Yes" box if the Washington domiciled decedent owned any tangible personal property or real property that was located outside the state of Washington on the date of death. Check the "No" box if all property is located in Washington. A Washington domiciled decedent's in state property is all intangible personal property, any tangible personal property located in Washington, and any real property located in Washington.

Line 2 - Out of State Domiciled Decedent

Check the "Yes" box if the out of state domiciled decedent owned any intangible property or any tangible personal property or real property that was located outside the state of Washington on the date of death. Check the "No" box if the out of state domiciled decedent did not own real property or tangible personal property in Washington on the date of death; no Washington estate tax return should be filed.

PART 3 - IDENTIFY OUT OF STATE PROPERTY

List each asset included in the gross estate that is out of state property.

Identify the out of state property by schedule and item number from the estate tax return (Schedules A through I). Give a brief description of the out of state property (a full description should already be included on the appropriate schedules). Enter the fair market value as reported on the schedule. If using alternate value, report the alternate value rather than the date of death value.

If there is more out of state property than will fit on the addendum, attach a sheet with similar format to continue the out of state property listing. Enter the sum of all out of state property listed on the addendum and any attached sheets on the total line.

Do not include any farm property assets that were included in the eligible farm property deduction. Farm property can only be deducted once and is not allowed to be included in the out of state property calculation.

For an out of state domiciled decedent who only owns one or two assets located in the state of Washington, for ease of reporting, a sheet may be attached with a statement noting all assets except for the item or items on Schedule __, item #__ are out of state property. For this situation, the gross estate, less the farm deduction, less those items identified as Washington located assets will be the total value of out of state property listed on the total line for Part 3.

PART 4 - COMPUTATION OF APPORTIONMENT FOR OUT OF STATE PROPERTY

Line 1 - Gross Estate

Enter the decedent's gross estate from the Washington estate tax return. This amount can be found either on the first page of the return (Page 1, Part 2, Line 1) or on the recapitulation's total gross less exclusion line (Page 3, Part 5, Item 12).

Line 2 - Farm Deduction

Enter the total farm deduction as calculated on Addendum # 2 - Property Used for Farming, Part 3, Line 6.

Line 3 - Adjusted Gross Estate

Enter the result of Line 1 less Line 2. This is the adjusted gross estate for determining the out of state property.

Line 4 - Adjusted Gross Less Out of State Property

Enter the result of Line 3 less the total from Part 3.

Line 5 - Gross Washington Estate Tax

Enter the calculated Gross Washington Estate Tax from the front of the Washington estate tax return (Page 1, Part 2, Line 8).

Line 6 - Apportioned Washington Estate Tax Due

Enter the result of Line 4 divided by Line 3 and then multiplied by Line 5. This is a continuous calculation; do not round any figures. The tax calculation will be incorrect if the amounts are rounded. This calculation is basically Washington property divided by the gross estate multiplied by the tax due on the entire estate.

This apportioned Washington estate tax due can be taken to the Washington estate tax return (Page 1, Part 2, Line 9).

SIGNATURE

The executor of the estate must sign and date this addendum. Attach the completed addendum to the end of the Washington estate tax return (after the applicable schedules).