

**Washington State  
 Estate and Transfer Tax Return**

For deaths occurring May 17, 2005 through December 31, 2013  
 when filing Federal Form 706  
 (see instructions)

**Part 1 - Decedent and Executor (type or complete in ink)**

1. Decedent's first name and middle initial		2. Decedent's last name		3. Social Security Number	
4. Legal residence (domicile) at time of death (county, state, and zip code, or foreign country)			5. Year domicile established	6. Date of birth	7. Date of death
8. Name, address, and phone number of person required to file  Telephone No: _____ Email Address: _____			9. Name, address, and phone number of preparer (if applicable)  Telephone No: _____ Ext: _____ Email Address: _____		
10. Name and location of court where Will was probated or estate administered				11. Cause number	
12. Check if applicable		<input type="checkbox"/> Decedent died testate		<input type="checkbox"/> Extension form attached	
		<input type="checkbox"/> Installment payment or filing election		<input type="checkbox"/> Amended return	
		<input type="checkbox"/> Nonresident return			

Dept Use Only  
**EST  
 REG / AR**  
 Index number

RELEASE

I, \_\_\_\_\_, on behalf of the estate of \_\_\_\_\_, authorize the Department of Revenue to  
 (Please Print) (Name of Decedent)  
 release confidential estate tax information to \_\_\_\_\_. Preparer is authorized to discuss, and/or receive confidential  
 (Preparer)  
 estate tax information from the Department of Revenue.

**Part 2 - Tax Computation**

<b>A. Total Gross Estate Less Exclusion</b> (from Federal Form 706, Part 5) .....	A. _____								
<b>B. Total Allowable Deductions</b> (from Federal Form 706, Part 5) .....	B. _____								
<b>1. Tentative Taxable Estate</b> (line A less line B) .....	1. _____								
<b>2. Adjustments to Tentative Taxable Estate</b> (total of lines 2a through 2c).....	2. _____								
QTIP under § 2056                    2a. _____									
§ 2044 Property                    2b. ( _____ )									
83.100.047 Property                2c. _____									
<b>3. Adjusted Federal Taxable Estate</b> (total of lines 1 and 2) .....	3. _____								
<b>4. Washington State Deductions</b> (total of lines 4a through 4c) .....	4. _____								
Statutory Deduction                4a. _____									
Farm Deduction                    4b. _____									
WA QTIP Deduction                4c. _____									
<b>5. Washington Taxable Estate</b> (line 3 less line 4) Do not enter less than "zero" .....	5. _____								
<b>6. Gross Washington Estate Tax</b> (Table W in instructions) Compute tax using the amount on line 5. ....	6. _____								
<b>7. Identify Out of State Property;</b> attach additional sheet if necessary (if no property, go to line 9)									
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Schedule/Item</th> <th style="width: 25%;">Amount</th> <th style="width: 25%;">Schedule/Item</th> <th style="width: 25%;">Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Schedule/Item	Amount	Schedule/Item	Amount					
Schedule/Item	Amount	Schedule/Item	Amount						
<b>8. Computation of Apportionment for Out of State Property:</b>									
8a. Total value of Out of State Property listed in 7 above .....	8a. _____								
8b. Gross Estate (line A) .....	8b. _____								
8c. Adjusted Gross Estate (8b less 4b, less 2b, plus 2c).....	8c. _____								
8d. Adjusted Gross Estate less Out of State Property (line 8c less 8a).....	8d. _____								
8e. Washington Tax Due (line 8d divided by line 8c multiplied by line 6).....	8e. _____								
<b>9. Washington Estate Tax Due</b> (equals line 6 or, if apportioning for Out of State Property, line 8e) ...	9. _____								
<b>10. Tax Previously Paid to Washington State</b> .....	10. _____								
<b>11. Balance</b> .....	11. _____								
<b>12. Interest Due</b> (on any tax not paid within nine months after date of death).....	12. _____								
<b>13. Total Tax and Interest Due</b> (add lines 11 and 12).....	13. _____								
<b>14. Total Amount Enclosed</b> .....	14. _____								

Under penalty of law, I declare that I have examined this return and, to the best of my knowledge and belief, it is true, correct, and complete.

\_\_\_\_\_  
 (Signature of person required to file)

\_\_\_\_\_  
 (Date)

# INSTRUCTIONS

**WHO MUST FILE** This Washington State Estate and Transfer Tax Return must be filed by the person required to file if the decedent died May 17, 2005 through December 31, 2013, was domiciled in the state of Washington or owned property located in the state of Washington, and the estate exceeds the filing threshold for the year of the decedent's death. A complete copy of the signed Federal Form 706, 706NA or 706QDT, along with all supporting documentation, must be attached to this return. There is a different form for estates **not** required to file Federal Form 706.

FILING THRESHOLDS	Time Period	Filing Thresholds
	May 17, 2005 through December 31, 2005	\$1,500,000
	January 1, 2006 through December 31, 2013	\$2,000,000

**WHEN AND WHERE TO FILE** The return is due nine months after the date of death of the decedent. This return is to be filed with the Department of Revenue, Special Programs Division, PO Box 47488, Olympia, WA 98504-7488. Filing extensions can be obtained by mailing a copy of the Federal Form 4768, with payment (if applicable) to the same address.

## SPECIFIC INSTRUCTIONS FOR PART 2 – TAX COMPUTATION

- Line A:** Enter the Total Gross Estate (less exclusion) calculated in Part 5 – Recapitulation on page 3 of Federal Form 706.
- Line B:** Enter the Total Allowable Deductions calculated in Part 5 – Recapitulation on page 3 of Federal Form 706.
- Line 1:** Enter the amount of the Tentative Taxable Estate (Line A less line B). The entire Tentative Taxable Estate reported on the federal return must be reported to Washington.
- Line 2:** Line 2 adjustments are allowed only when Internal Revenue Code (IRC) §2056 is elected for a decedent whose date of death is on or after 5/17/05 or when IRC §2044 property is from an estate when the decedent's date of death was on or after 05/17/05. Enter total of adjustments to the federal Tentative Taxable Estate (2a less 2b plus 2c equals the amount entered on line 2). The following items must be added to, or subtracted from, the federal Tentative Taxable Estate. You must show adjustments made.
- 2a:** Enter the amount of the federal Qualifying Terminable Interest Property (QTIP) election, if any, under IRC §2056 (Washington QTIP election will be accounted for later in the Washington Deductions section on line 4) (added).
- 2b:** QTIP property included in the federal Tentative Taxable Estate under IRC §2044 for a prior QTIP election; prior Washington QTIP property will be accounted for on line 2c (subtracted).
- 2c:** WA QTIP property included in the Washington Taxable Estate under Revised Code of Washington (RCW) 83.100.047 (prior WA QTIP property) (added).
- Line 3:** Add lines 1 and 2 and enter the result on line 3.
- Line 4:** Enter the amount of Washington Deductions (4a plus 4b plus 4c equals the amount entered on line 4).
- 4a:** Enter the appropriate Statutory Deduction. For 2005 deaths enter \$1.5 million and for 2006 deaths and after, enter \$2 million.
- 4b:** Enter the amount taken for the Farm Deduction. See Washington Administrative Code (WAC) 458-57-155 for additional instructions for determining the amount of Farm Deduction available.
- 4c:** Enter the amount of the WA QTIP Deduction elected under RCW 83.100.047.
- Line 5:** Subtract line 4 from line 3 and enter the result on line 5. Do not enter less than zero. This is the "Washington Taxable Estate."
- Line 6:** Use Table W (below) to determine the tax on the Washington Taxable Estate and enter the amount on line 6. For additional information on calculating the tax see WAC 458-57-115.
- Line 7:** Identify Out of State Property. In the "Schedule/Item" column enter the schedule and item number as listed on Federal Form 706. If there is no out of state property, go to line 9. Attach additional sheets if necessary. If additional sheets are used, enter the total of Out of State Property in the "Amount" field and note "see attached" as shown.
- Line 8:** Computation of Apportionment for Out of State Property:
- | Schedule/Item | Amount         |
|---------------|----------------|
| See attached  | \$1,500,500.00 |
- 8a:** Enter the total value of the out of state property listed in the table for line 7.
- 8b:** Enter the value of the gross estate from line A.
- 8c:** Subtract line 4b and 2b from line 8b, then add line 2c; enter the value on line 8c (Gross Estate less Farm Deduction, less Federal QTIP property included in Federal Taxable Estate under IRC §2044, plus WA QTIP property included in the Washington Taxable Estate under RCW 83.100.047). This is the Adjusted Gross Estate.
- 8d:** Subtract line 8a from line 8c; enter the result on line 8d (value of Washington property less Farm Deduction).
- 8e:** Divide line 8d by line 8c and multiply by the amount on line 6; enter the result on line 8e.
- Line 9:** Enter the Washington Estate Tax Due. This amount equals line 6 or, if apportioning for Out of State Property, line 8e.

## SIGNATURE

The person required to file, fiduciary, executor, taxpayer, trustee, attorney or designated filer of the estate must sign this return. The Department will not contact the preparer regarding return questions unless the release portion of the return at the end of Part 1 is completed.

## TABLE W

If Washington taxable estate is at least	But less than	The amount of tax equals initial tax amount	Plus tax rate %	of Washington taxable estate value greater than
\$0	\$1,000,000	\$0	10.00%	\$0
\$1,000,000	\$2,000,000	\$100,000	14.00%	\$1,000,000
\$2,000,000	\$3,000,000	\$240,000	15.00%	\$2,000,000
\$3,000,000	\$4,000,000	\$390,000	16.00%	\$3,000,000
\$4,000,000	\$6,000,000	\$550,000	17.00%	\$4,000,000
\$6,000,000	\$7,000,000	\$890,000	18.00%	\$6,000,000
\$7,000,000	\$9,000,000	\$1,070,000	18.50%	\$7,000,000
\$9,000,000		\$1,440,000	19.00%	\$9,000,000

# ESTATE TAX FILING CHECKLIST AND INFORMATION SHEET

## Checklist for estates that must file an estate tax return

- Copy of the filed Federal Form 706, 706NA or 706QDT Tax Return (this means a copy of the signed filed federal return which has been signed by the person required to file);
- All supporting documentation for the completed return schedules;
- Copy of Federal Form 4768 Application for Extension of Time to File a Return and/or pay U.S. Estate Taxes, if applicable. If extension was denied, provide a copy of the denial letter;
- Original Washington State Estate and Transfer Tax Return signed by the person or persons required to file;
- Copy of Death Certificate;
- Copy of Will;
- Copy of Letters of Administration/Testamentary, if any;
- Copy of Trust(s);
- Copy of other state estate tax returns/proof of payment (necessary to reconcile state death tax deduction amount); and
- Payment, if any.

**Note** – Funeral expenses on Federal Form 706 and the Washington return should be reduced by 50% in a community property estate.

## After Filing – What's Next

- The filing will be reviewed in the order received based on the postmark date. During our review we may request additional information or documentation. When the Department's examination is complete and when a copy of the Internal Revenue Service (IRS) Letter of Acceptance and the IRS Examination Report or IRS Estate Tax Closing Document is filed with the Department, the Department will issue an Estate Tax Release.
- We are often asked if a Department of Revenue release is needed to make distributions or to close probate. A Department release is not required to make distributions or to close probate; however, the personal representative is ultimately responsible for payment of any tax due. Please note that if the estate is closed and there is an adjustment that results in a refund, a warrant will be made out in the name of the estate and it may be difficult to negotiate the warrant if the estate is closed.

## Top Ten Most Common Estate Tax Filing Errors

1. Estate tax filing is not complete. Failed to provide all schedules or supporting documentation for completed schedules.
2. Copies of the death certificate, Will, and/or trusts not filed with the return.
3. Washington estate tax return or Federal Form 706 not signed by persons required to file the return.
4. Taxable gifts not considered when determining if an estate meets the filing threshold.
5. Errors made calculating the Washington estate tax.
6. Funeral expenses not reduced by 50% in a community property estate.
7. Failure to adequately identify assets that are included as part of a marital deduction or credit shelter trust.
8. Incorrect apportionment of assets between Washington and other states and/or incorrect apportionment calculation.
9. Mortgages on real property deduction on Schedule A rather than on the appropriate Schedule K.
10. Incorrect valuation of stocks and bonds, using closing value rather than the mean of the high and low for the date of death or alternate valuation date, or incorrect value for non-trading day.

## What if I have questions regarding estate tax?

- **Telephone:** Please call (360) 534-1503 and select option number 2.
- **E-mail:** You can send your questions via e-mail to [estates@dor.wa.gov](mailto:estates@dor.wa.gov).
- **Web site:** Additional information regarding estate tax can be found on the Department's web site at [http://dor.wa.gov/content/findtaxesandrates/othertaxes/tax\\_estate.aspx](http://dor.wa.gov/content/findtaxesandrates/othertaxes/tax_estate.aspx).
- **E-mail list service:** You can receive Estate Tax Notifications by subscribing to ListServ at <http://listserv.wa.gov/cgi-bin/wa?SUBED1=estate-tax-notifications&A=1>. You can unsubscribe at any time.