

FOR DEATHS OCCURRING ON OR AFTER MAY 17, 2005



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

Washington State  
Estate and Transfer Tax Return

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

Dept Use Only

1. Decedent's first name and middle initial		2. Decedent's last name		3. Social Security No.	
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.: _____ 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"/> Nonresident return <input type="checkbox"/> Amended Return <input type="checkbox"/> Installment payment or filing election <input type="checkbox"/> Federal Extension Form attached					

**EST**  
**REG / AR**

Index Number

Posting Period

M	M	Y	Y

I, \_\_\_\_\_, as the person required to file the estate tax return for the estate  
(Please Print)  
of \_\_\_\_\_, authorize the Department of Revenue to release confidential  
(Name of Decedent)  
estate tax information to \_\_\_\_\_, Preparer is authorized to discuss,  
(Preparer)  
and/or receive confidential estate tax information from the Department of Revenue.

PART 2 - Tax Computation

- Tentative Taxable Estate** (from Federal Form 706 line 3a) \_\_\_\_\_
- Adjustments to Tentative Taxable Estate** (total of lines 2a through 2c) \_\_\_\_\_  
 QTIP under § 2056 2a \_\_\_\_\_  
 § 2044 Property 2b (\_\_\_\_\_) \_\_\_\_\_  
 83.100.047 Property 2c \_\_\_\_\_
- Adjusted Federal Taxable Estate** (total of lines 1 and 2) \_\_\_\_\_
- Washington State Deductions** (total of lines 4a through 4c) \_\_\_\_\_  
 Statutory Deduction 4a \_\_\_\_\_  
 Farm Deduction 4b \_\_\_\_\_  
 WA QTIP Deduction 4c \_\_\_\_\_
- Washington Taxable Estate** (line 3 less line 4) \_\_\_\_\_
- Gross Washington Estate Tax** (Table W on page 2) Compute tax using the amount on line 5. \_\_\_\_\_
- Identify out of state property; attach additional sheet if necessary (If no property, go to line 9)**

Schedule/Item	Amount	Schedule/Item	Amount	Schedule/Item	Amount

- Computation of Apportionment for Out of State Property:**  
 8a Total Value of Out of State Property Listed in 7 above \_\_\_\_\_  
 8b Gross Estate (from Federal Form 706) \_\_\_\_\_  
 8c Adjusted Gross Estate (8b less 4b, less 2b, plus 2c) \_\_\_\_\_  
 8d Adjusted Gross estate less Out of State Property (line 8c less 8a) \_\_\_\_\_  
 8e Washington Tax Due (Line 8d divided by line 8c multiplied by line 6) \_\_\_\_\_
- Washington Estate Tax Due** (equals line 6, or if apportioning for Out-of-State property, line 8e) \_\_\_\_\_
- Tax previously paid to Washington State** \_\_\_\_\_
- Balance** \_\_\_\_\_
- Interest due on any tax not paid within 9 months after date of death** \_\_\_\_\_
- Total Tax and Interest Due (add lines 11 and 12)** \_\_\_\_\_

**14. TOTAL AMOUNT ENCLOSED** \_\_\_\_\_

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 Estate Tax Return must be filed by the person required to file if the decedent died on or after May 17, 2005, 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 the Washington return. There is a different return for deaths occurring prior to May 17, 2005.

## FILING THRESHOLDS

Time Period	Filing Threshold
May 17 - December 31, 2005	\$1,500,000
January 1, 2006 and thereafter	\$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. **Extensions** can be obtained by mailing a copy of Federal Form 4768, with payment (if applicable) to the same address.

## SPECIFIC INSTRUCTIONS FOR PART 2 - COMPUTATION OF TAX

**LINE 1:** Enter the amount of the Tentative Taxable Estate (Line 3a of Federal Form 706). The entire Tentative Taxable Estate reported on the federal return must be reported to Washington.

**LINE 2:** Line 2 adjustments are allowed only when § 2056 is elected for a decedent whose date of death is on or after 05/17/05 or when § 2044 property is from an estate where the decedent's date of death was on or after 05/17/05. Enter total of adjustments to the federal Tentative Taxable Estate (add lines 2a through 2c and enter result 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 federal QTIP election, if any, under § 2056 (Washington QTIP election will be accounted for later in the Washington Deductions section on Line 4) (added).
- 2b.** QTIP property included in Federal Taxable Estate under § 2044 for a prior QTIP election; prior QTIP property will be accounted for on Line 2c (subtracted).
- 2c.** WA QTIP property included in the Washington Taxable Estate under RCW 83.100.047 (prior 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 (add lines 4a through 4c and enter result on line 4).

- 4a.** Enter the appropriate Statutory Deduction. For 2005 deaths enter \$1.5 million and for 2006 deaths and thereafter, enter \$2 million.
- 4b.** Enter the amount taken for the Farm Deduction. See Chapter 458-57 WAC for additional instructions for determining the amount of Farm Deduction available.
- 4c.** Enter the amount of Washington QTIP Deduction, elected under RCW 83.100.047.

**LINE 5:** Subtract line 4 from line 3 and enter the result on line 5. This is the "Washington Taxable Estate."

**LINE 6:** Use Table W to determine the tax on the Washington Taxable Estate and enter the amount on line 6. For additional information on calculating the tax see Chapter 458-57 WAC.

**LINE 7:** Identify out of state property. In the schedule/item column enter the schedule and item number as listed on the Federal Form 706. If no out of state property, go to line 9. Attach additional sheet if necessary. If additional sheets used, put total of out of state property in the amount

Schedule/Item	Amount
See attached	\$1,500,500.00

**LINE 8:** Computation of Apportionment for Out of State Property:

- 8a.** Enter the total value of out of state property listed in the line 7 table.
- 8b.** Enter the value of the gross estate from Part 2, line 1 of the Federal Form 706.
- 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 § 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 personal representative, 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 at the end of Part 1, Page 1 is completed.

**TABLE W**

From Line 5: 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 those estates that must file an estate tax return

- Copy of the filed Federal Form 706 United States (and Generation-Skipping Transfer), 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 completed return schedules;
- Copy of approved Form 4768 Application for Extension of Time to File a Return and/or Pay U.S. Estate (and Generation-Skipping Transfer) Taxes, if applicable. If extension was denied, provide a copy of the denial letter;
- Original Washington Estate and Transfer Tax Return signed by the person or persons required to file;
- Washington Schedule M for Washington QTIP election (if a differing election is made for federal purposes);
- 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 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 order 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 IRS Letter of Acceptance or the IRS Examination Report and/or Estate Tax Closing letter 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 Form 706 not signed by person required to file the return.
4. Taxable gifts not considered when determining if an estate meets the *filing threshold*.
5. Errors made calculating the state death 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 deducted 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 the new estate tax?

- **Telephone:** Please call (360) 570-3265 and press option number 2 to be connected with the next available estate tax specialist.
- **E-mail:** You can send your questions via e-mail to [communications@dor.wa.gov](mailto:communications@dor.wa.gov).
- **Web site:** Additional information on the estate tax is available on the Department's web site at [http://dor.wa.gov/content/taxes/other/tax\\_estate.aspx](http://dor.wa.gov/content/taxes/other/tax_estate.aspx).
- **E-mail list service:** You can subscribe to Estate Tax Notifications at: <https://listserv.wa.gov/cgi-bin/wa?SUBED1=estate-tax-notifications&A=1>  
By subscribing to the list you will receive information updates from the Department. You can unsubscribe at any time.

For tax assistance visit <http://dor.wa.gov> or call (360) 570-3265. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.