

## Estate and Transfer Tax

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RCW 83.100.040

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**Tax Base** The value of all property located in Washington at the decedent's 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.

Tax exemptions may reduce the tax liability for this tax base. For more information, refer to the [Tax Exemption Study](#).

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**Tax Rate** After subtracting all allowable deductions, the remaining Washington taxable estate is subject to a graduated rate schedule ranging from 10 to 20 percent. The estate tax brackets found in RCW 83.100.040 are summarized below:

(1) Washington taxable estate is at least	(2) But less than	(3) Tax on amount in column (1)	(4) Plus tax rate on excess amount in column (1)
\$0	\$1,000,000	\$0	10.00%
\$1,000,000	\$2,000,000	\$100,000	14.00%
\$2,000,000	\$3,000,000	\$240,000	15.00%
\$3,000,000	\$4,000,000	\$390,000	16.00%
\$4,000,000	\$6,000,000	\$550,000	18.00%
\$6,000,000	\$7,000,000	\$910,000	19.00%
\$7,000,000	\$9,000,000	\$1,100,000	19.50%
\$9,000,000	--	\$1,490,000	20.00%

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### Recent Collections (\$000)

Fiscal Year	Collections	% Change	% of All State Taxes
2018	\$203,411	20.6%	1.0%
2017	\$168,710	25.3%	0.9%
2016	\$134,680	-12.6%	0.7%
2015	\$154,040	-1.3%	0.9%
2014	\$156,019	49.0%	1.0%
2013	\$104,680	-8.8%	0.7%
2012	\$114,828	1.7%	0.8%
2011	\$112,928	43.5%	0.8%
2010	\$78,717	-42.6%	0.6%
2009	\$137,116	25.6%	0.9%

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### Distribution of Receipts

Current estate tax receipts are deposited into the Education Legacy Account. Receipts for decedents who died prior to May 17, 2005, are deposited into the State General Fund.

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### Levied by

State

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### Administration

Department of Revenue.

If the value of the gross estate exceeds the filing threshold, administrators or personal representatives of estates must file a Washington estate tax return with the Department. The return must be filed within nine months following the decedent's death. Administrators must include a copy of the federal estate tax return, if applicable, with the state tax return. When the estate tax liability has been fully satisfied, a release is issued to the estate stating that the decedent's property may be transferred.

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### History

2013 Legislation passed to include qualified terminable interest property (QTIP) in the Washington taxable estate when the second spouse dies, regardless of when the spouse acquired the interest in the property.

Beginning with the estates of decedents dying in 2014, the bill also:

- Provides an annual adjustment to the Washington estate tax threshold based on the Consumer Price Index.
- Increases the top four estate tax rates.

- Allows a qualified family-owned business interests (QFOBI) deduction.

2012 The Washington Supreme Court determined that qualified terminable interest property (QTIP) should not be included in the decedents' Washington estates when computing Washington's estate tax in the consolidated case of *Estate of Bracken and Estate of Nelson v. State of Washington* on October 18, 2012.

2006 The state estate tax survived a repeal attempt in November 2006, when 62 percent of the voters rejected Initiative 902.

2005 The State Supreme Court overturned Washington's estate tax in *Hemphill et al v. State of Washington* on February 3, 2005.

The Legislature enacted a "stand-alone" estate tax effective May 17, 2005.

2001 In May, Congress adopted H.R. 1836 (PL 107-16) which phased out the federal estate tax by the year 2010 and eliminated the federal credit for state taxes at the end of 2004.

The State of Washington continued to collect the estate tax based on the Internal Revenue Code as of January 1, 2001.

1981 Voters approved Initiative 402 at the November general election. This initiative repealed the state inheritance and gift taxes effective January 1, 1982.

The initiative allowed continuation of a state estate tax equal to the amount of federal estate tax credit. This is referred to as a "pick-up" tax.

1979 The Legislature enacted a comprehensive revision of the inheritance tax.

1941 A companion gift tax was enacted at rates equal to 90 percent of the inheritance tax rates.

1901 An inheritance tax was one of the first state taxes established in Washington. The tax was upheld in a court ruling that found it was an excise tax on the privilege of inheriting property, and not a tax on the property itself.