

**Washington State Estate Tax Addendum # 1**  
**Qualified Terminable Interest Property**  
**or Qualified Domestic Trust**  
 (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 |
|--------------------------|----------|-------------------------|---------------------------|

**Complete Part 2 and/or Part 3 as applicable.** The executor, by completing Part 2, Line 3a of this form, is verifying they are irrevocably electing Washington qualified terminable interest property (QTIP) per Revised Code of Washington (RCW) 83.100.047 or qualified domestic trust (QDOT) per Washington Administrative Code (WAC) 458-57-115.

1. Is the estate electing QTIP on any property in the estate or does it contain QTIP (2044) property from a predeceased spouse? ..... 1.  Yes  No  
 If "No", STOP, you not need to complete this form.

**Part 2 - Surviving spouse:** QTIP under RCW 83.100.047 consistent with Internal Revenue Code (IRC) §2056(b)(7) or QDOT under WAC 458-57-115 consistent with IRC §2056(d) and §2056A.

|                                  |          |                                 |                           |
|----------------------------------|----------|---------------------------------|---------------------------|
| 1. Surviving spouse's first name | 2. M. I. | 3. Surviving spouse's last name | 4. Social Security number |
|----------------------------------|----------|---------------------------------|---------------------------|

1. Are the Washington QTIP/QDOT election and the federal QTIP/QDOT election the same amount? ..... 1.  Yes  No

2. Is this a QDOT election (surviving spouse is not a U.S. citizen)? ..... 2.  Yes  No

3. **QTIP/QDOT election amounts** (If you answered "Yes" to Question 1 above, the amounts must match.):

a. Washington QTIP/QDOT amount (must match the Washington, Schedule M, Part A total): ..... a. \_\_\_\_\_

b. Federal QTIP/QDOT amount (must match the Federal Form 706, Schedule M, Part A total): ..... b. \_\_\_\_\_

The property/assets included in the Washington QTIP/QDOT election must be identified (by schedule and item number) on Washington Schedule M when the Washington estate return is filed. If those assets have not been determined at the time of filing the return, a statement identifying each asset may be provided upon the determination of such assets or at the time of filing of the surviving spouse's estate tax return.

**Note:** Any QDOT activity (distributions and/or terminations) must be reported to the state of Washington per WAC 458-57-115.

**Part 3 - Predeceased spouse:** QTIP under RCW 83.100.047 consistent with IRC §2044. *If more than one predeceased spouse, you may need to complete more than one Addendum # 1. RCW 83.100.047/§2044 assets must be clearly identified by labeling them in the description section of each applicable schedule of the estate tax return.*

|                                    |          |                                   |                           |
|------------------------------------|----------|-----------------------------------|---------------------------|
| 1. Predeceased spouse's first name | 2. M. I. | 3. Predeceased spouse's last name | 4. Social Security number |
|------------------------------------|----------|-----------------------------------|---------------------------|

1. Was the Washington QTIP election and the federal QTIP election the same amount on the predeceased spouse's filed estate tax return(s) (*The answer is "Yes" if a previous Washington return was not filed or if a different amount was not identified on the previous return*)? ..... 1.  Yes  No

2. **Date of death values of this estate's remaining QTIP assets from predeceased spouse (RCW 83.100.047/IRC §2044)** (If you answered "Yes" to Question 1 above, Lines a and b below must match.):

a. Washington RCW 83.100.047 amount (must match the identified RCW 83.100.047 (WA 2044) property on Washington return; typically reported on Schedule F): ..... a. \_\_\_\_\_

b. Federal IRC §2044 amount (must match the identified IRC §2044 property on Federal Form 706; typically reported on Schedule F): ..... b. \_\_\_\_\_

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)

## ADDENDUM # 1 - QUALIFIED TERMINABLE INTEREST PROPERTY (QTIP/WA 2044) AND QUALIFIED DOMESTIC TRUST (QDOT) 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 either electing QTIP or QDOT for the decedent or the decedent was a lifetime beneficiary of a QTIP trust from a predeceased spouse.

**APPLICABLE LAWS AND RULES** The applicable laws and rules are Revised Code of Washington (RCW) 83.100.047, Washington Administrative Code (WAC) 458-57-115, Internal Revenue Code (IRC) §§2056(b)(7), 2056A, or 2044 and include the corresponding IRC treasury regulations. The references to the IRC are as it existed on January 1, 2005. **These instructions contain a general overview; see the applicable laws and rules for complete details.**

**WHAT IS QTIP** The term “qualified terminable interest property” means property which passes from the decedent, in which the surviving spouse has a qualifying income interest for life, and to which a QTIP election applies. The surviving spouse’s qualifying income interest for life occurs if the surviving spouse is entitled to all income from the property, the income is payable annually or at more frequent intervals, or has a right to use or enjoy the property interest for life, and no person has a power to appoint any part of the property to any person other than the surviving spouse. The term “property” includes an interest in property. Survivor annuities are automatically considered QTIP property unless the executor specifically elects (on Schedule M) to not include the annuities as QTIP property. An election to not include survivor annuities once made is irrevocable.

**HOW QTIP ELECTION IS MADE** The executor makes a QTIP election by entering the property, if known, or an amount, if a fraction or percentage, on Schedule M under Part A of the estate tax return. The election is verified by completing this addendum. A QTIP election becomes irrevocable once made on either the last timely filed estate tax return including any extensions or on the first estate tax return filed after the due date. By making this election the property identified as QTIP shall be treated as passing to the surviving spouse and no such property shall be treated as passing to any person other than the surviving spouse.

**WHAT IS QDOT** A marital deduction is not allowed for property passing to or for the benefit of a surviving spouse who is not a United States citizen at the date of the decedent’s death. However, an estate may qualify for a marital deduction, if the estate elects to establish a QDOT, a current trust is reformed to qualify for QDOT, or within one year of the filing due date including any extensions the surviving spouse either transfers or irrevocably assigns property to a QDOT. A “qualified domestic trust” means property which transfers to a trust before the filing due date including any extensions or is assigned to such a trust within a year of the filing due date including any extensions for the benefit of a surviving spouse who is not a United States citizen. The QDOT requirements are described in IRC Treasury Regulation §20.2056A-2(d). When a QDOT is elected for Washington only, in addition to the IRC requirements, there must be a Washington trustee, the trustee must be able to withhold tax due from any distributions, and certain tax collection requirements must be followed (see WAC 458-57-115). The term “property” includes an interest in property.

**HOW QDOT ELECTION IS MADE** The executor makes a QDOT election by entering the property, if known, or an amount, if a fraction or percentage, on Schedule M under Part A of the estate tax return. The election is verified by completing this addendum. A QDOT election becomes irrevocable once made on either the last timely filed estate tax return including any extensions or on the first estate tax return filed within one year of the due date including any extension. By making this election the property identified as QDOT shall be treated as passing to the surviving spouse and no such property shall be treated as passing to any person other than the surviving spouse.

## **PART 1 - DECEDENT**

### **Items 1-4 - Decedent's Information**

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

#### **Line 1 – QTIP/QDOT Reporting**

Is the estate making a QTIP or QDOT election for Washington and/or federal purposes? Check the box "Yes" if the estate is making a QTIP or QDOT election. Is the estate a beneficiary of a predeceased spouse's QTIP election for Washington and/or federal purposes? Check the box "Yes" if the estate contains QTIP from a predeceased spouse. When selecting "Yes", completed the rest of the addendum appropriately and submitted with the estate tax filing. If "No" is selected, the form does not need to be completed, nor submitted with the estate tax filing.

## **PART 2 - SURVIVING SPOUSE**

This section needs to be completed if the estate is electing QTIP or QDOT.

### **Items 1-4 - Surviving Spouse's Information**

Enter the surviving spouse's full name and social security number.

#### **Line 1 - Election Amounts Match**

Check the appropriate box. Check the "Yes" box if the Washington estate tax return, Schedule M, Part A section total amount matches the Federal Form 706, Schedule M, Part A section total amount. Check the "No" box if the two schedule amounts do not match.

#### **Line 2 - QDOT Election**

Check the appropriate box. Check the "Yes" box if the surviving spouse is not a United States citizen and the executor is electing QDOT. If QDOT is not being elected or does not apply, check the "No" box.

#### **Line 3a - Washington QTIP/QDOT Amount**

Enter the sum of the section on the Washington estate tax return,

Schedule M, Part A, for the QTIP or QDOT amounts. The amount can be zero.

#### **Line 3b - Federal QTIP/QDOT Amount**

Enter the sum of the section on the Federal Form 706, Schedule M, Part A, for the QTIP or QDOT amounts. The amount can be zero.

## **PART 3 - PREDECEASED SPOUSE**

This section only needs to be completed if the decedent was a lifetime beneficiary of a QTIP from a predeceased spouse. This type of property is typically referred to as §2044 property; for Washington purposes it will be referred to as WA 2044. The property should be reported on Schedule F, but may be reported on other schedules. No matter what schedule it is reported on, it must be identified as §2044 or WA 2044 property. If there are more than one QTIP, such as from multiple predeceased spouses, complete as many addendums as necessary for each predeceased spouse (the sum of the addendums for Line 2a and sum of the addendums for Line 2b will combine to equal the total amounts reported on the applicable schedule(s) for Washington estate tax return and the Federal Form 706, respectively).

### **Items 1-4 - Predeceased Spouse's Information**

Enter the predeceased spouse's full name and social security number.

#### **Line 1 - Election Amounts Match**

Check the appropriate box. Check the "Yes" box if the Washington estate tax return, Schedule F (or other schedules) total amount of WA 2044 property matches the Federal Form 706, Schedule F (or other schedules) total amount of §2044 property. Check the "No" box if the WA 2044 and §2044 property amounts do not match.

### **Line 2a – Date of Death Values of This Estate's Remaining Washington QTIP Assets**

Enter the sum of the WA 2044 property reported on this estate's Washington estate tax return, Schedule F (or other schedules). The amount can be zero.

### **Line 2b – Date of Death Values of This Estate's Remaining Federal QTIP Assets**

Enter the sum of the §2044 property reported on this estate's Federal Form 706, Schedule F (or other schedules). The amount can be zero.

## **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).