

# Department of Revenue Fiscal Note

<b>Bill Number:</b> 6347 SB	<b>Title:</b> Estate tax rates	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
Education Legacy Trust Account-State 01 - Taxes 55 - Inheritance Tax		(44,800,000)	(44,800,000)	(389,900,000)	(423,300,000)
<b>Total \$</b>		(44,800,000)	(44,800,000)	(389,900,000)	(423,300,000)

### Estimated Expenditures from:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		0.3	0.1		
GF-STATE-State 001-1	26,100	32,200	58,300		
<b>Total \$</b>	26,100	32,200	58,300		

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

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Request # 6347-1-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

#### CURRENT LAW:

The estate tax is a tax on the right to transfer property at the time of death. A decedent or a non-resident decedent who owns property in Washington may owe estate tax depending on the value of their estate.

An annual applicable exclusion amount is determined by the Department of Revenue (department) using the Seattle-Tacoma-Bremerton metropolitan area October consumer price index. An estate tax return is not required to be filed unless the gross estate is equal to or greater than the applicable exclusion amount.

The annual adjustment uses the consumer price index (CPI) for the Seattle-Tacoma-Bremerton metropolitan area. The adjustment is determined by multiplying \$3,000,000 by one plus the percentage by which the most recent October CPI exceeds the CPI for October 2024.

The Washington taxable estate is the amount after all allowable deductions, including the applicable exclusion amount, have been applied. The tax rate applied ranges between 10% to 35%, depending upon the Washington taxable estate.

#### PROPOSAL:

Beginning with estates of decedents dying on or after April 1, 2026, the estate tax rates are adjusted as follows:

Taxable Estate	Current Rate	New Rate
\$0 - \$1 million	10%	10%
\$1 - \$2 million	15%	14%
\$2 - \$3 million	17%	15%
\$3 - \$4 million	19%	16%
\$4 - \$6 million	23%	18%
\$6 - \$7 million	26%	19%
\$7 - \$9 million	30%	19.5%
>\$9 million	35%	20%

#### EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session, and applies to estates of decedents dying on or after April 1, 2026. However, the earliest the department can implement the bill is for estates of decedents dying on or after July 1, 2026.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

#### ASSUMPTIONS

- This proposal applies to deaths occurring on or after July 1, 2026.
- Taxpayers make all payments on time, on the 9-month due date.
- The first payments are due April 1, 2027, which results in three months of impact in fiscal year 2027.

Using the forecasted Seattle CPI, the estate tax exclusion amount increases as follows:

2026 - \$3,076,000  
2027 - \$3,167,000  
2028 - \$3,244,000

2029 - \$3,309,000  
2030 - \$3,370,000  
2031 - \$3,431,000

#### DATA SOURCES

- Department of Revenue, Estate tax data
- Estate Tax Forecast Model, November 2025
- Economic and Revenue Forecast Council, November 2025 forecast, Table 2.1, Seattle Consumer Price Index

#### REVENUE ESTIMATES

This bill decreases state revenues by an estimated \$44.8 million in the three months of impacted collections in fiscal year 2027, and by \$191.1 million in fiscal year 2028, the first full year of impacted collections.

#### TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2026 -	\$ 0
FY 2027 -	(\$ 44,800)
FY 2028 -	(\$ 191,100)
FY 2029 -	(\$ 198,800)
FY 2030 -	(\$ 207,200)
FY 2031 -	(\$ 216,100)

Local Government, if applicable (cash basis, \$000): None

#### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

##### FIRST YEAR COSTS:

The department will incur total costs of \$26,100 in fiscal year 2026. These costs include:

Object Costs - \$26,100.

- Computer system changes, including contract programming.

##### SECOND YEAR COSTS:

The department will incur total costs of \$32,200 in fiscal year 2027. These costs include:

Labor Costs – Time and effort equate to 0.27 FTE.

- Amend one administrative rule.
- Computer system monitoring and maintenance.

##### ONGOING COSTS:

There are no ongoing costs.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		0.3	0.1		
A-Salaries and Wages		20,200	20,200		
B-Employee Benefits		7,200	7,200		
C-Professional Service Contracts	26,100		26,100		
E-Goods and Other Services		3,200	3,200		
G-Travel		700	700		
J-Capital Outlays		900	900		
<b>Total \$</b>	<b>\$26,100</b>	<b>\$32,200</b>	<b>\$58,300</b>		

**III. B - Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
EMS BAND 4	139,704		0.0	0.0		
EXCISE TAX EX 4	75,112		0.1	0.1		
MGMT ANALYST4	80,822		0.0	0.0		
REVENUE AUDITOR SUPV	100,981		0.1	0.1		
TAX POLICY SP 2	82,874		0.0	0.0		
TAX POLICY SP 3	93,800		0.0	0.0		
TAX POLICY SP 4	100,981		0.0	0.0		
WMS BAND 3	114,564		0.0	0.0		
<b>Total FTEs</b>			<b>0.3</b>	<b>0.2</b>		

### III. C - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

## Part V: New Rule Making Required

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Should this legislation become law, the department will use the expedited rulemaking process to amend WAC 458-57-115, titled: "Valuation of property, property subject to estate tax, and how to calculate the tax."

This rulemaking would affect people required to file an estate tax return who die on or after July 1, 2026.

Request # 6347-1-1