



Montgomery Purdue PLLC
701 Fifth Avenue
Suite 5500
Seattle, WA 98104-7096
(206) 682-7090 TEL
(206) 625-9534 FAX

Hon. Rep. April Berg
132C Legislative Building
PO Box 40600
Olympia, WA 98504
april.berg@leg.wa.gov

Hon. Rep. Edward Orcutt
408 John L. O'Brien Building
P.O. Box 40600
Olympia, WA 98504
ed.orcutt@leg.wa.gov

Dear Chair Berg and Representative Orcutt:

We are members of the Washington State Bar Association (“WSBA”) and the Executive Committee of the Real Property Probate and Trust (“RPPT”) section of the WSBA. We write this letter to evidence our¹ support for prompt passage and enactment of HB 1375, and to request that it expediently be moved to a hearing.²

As you know, current RCW 83.100.020 defines the amount of each estate that is exempt from the Washington state estate tax (the “applicable exclusion amount”). Current RCW 83.100.020(1)(a)(ii) and (iii) provide that the applicable exclusion amount from the estate tax means “Two million dollars for estates of decedents dying on or after January 1, 2006, and before January 1, 2014; and ... [f]or estates of decedents dying in calendar year 2014 and each calendar year thereafter, the [\$2 million dollar amount] must be adjusted annually.” The annual adjustment is determined with reference to the most recent October “consumer price index.” Current RCW 83.100.020(1)(b) then provides that “[f]or purposes of this subsection, ‘consumer price index’ means the consumer price index for all urban consumers, all items, for the Seattle-Tacoma-Bremerton metropolitan area as calculated by the United States bureau of labor statistics.” As of January 1, 2018, the US Bureau of Labor and Statistics (“USBLS”) no longer calculates the consumer price index (“CPI”) for the Seattle-Tacoma-Bremerton metropolitan area. Instead, the

¹ In accordance with current WSBA policy with respect to lobbying for legislation, this letter is sent in the signatories’ individual capacities, and is not sent on behalf of the WSBA, the RPPT section thereof, or any other organization.

² This letter generally also supports SB 5405, which addresses similar issues as HB 1375. However, the undersigned favor HB 1375 over SB 5405 since, unlike SB 5405, HB 1375 conforms the proposed 2026 exclusion amount to the original RCW 83.100.020(1)(a)(ii) intent expressed in the phrase “must be adjusted annually.”

USBLS calculates the Seattle-Tacoma-Bellevue Core Based Statistical Area for the Puget Sound region.

The position of the Washington State Department of Revenue (the “DOR”) is that the statutory reference to the now-nonexistent “Seattle-Tacoma-Bremerton” CPI means that there can be no annual inflationary adjustment after 2018 (unless, apparently, that specific CPI is ever subsequently reinstated).³ As a result, the DOR’s position is that the applicable exclusion amount has remained \$2,193,000 since 2018.

The DOR’s position contradicts the clear RCW 83.100.020(1)(a)(ii) phrase “must be adjusted annually,” and violates the governing principle that the “fundamental objective in construing a statute is to ascertain and carry out the intent of the legislature.”⁴ The logical construction of the statute is that the RCW 83.100.020(1)(a)(ii) phrase “must be adjusted annually” means the RCW 83.100.020(1)(a)(iii) reference to the Seattle-Tacoma-Bremerton index includes, by implication, the most comparable replacement index (the Seattle-Tacoma-Bellevue CPI).⁵ HB 1375 amends RCW 83.100.020 to clarify that the applicable exclusion amount is inflation-adjusted to \$2,959,000 for deaths on or after August 1, 2025, and shall thereafter be subject to annual adjustments based upon whichever CPI applies to the Seattle metropolitan area (currently, the Seattle-Tacoma-Bellevue index). HB 1375 thus provides the Legislature with the opportunity to confirm the Legislature’s original intent by reinstating the annual inflationary adjustment required by the existing statute.⁶

In originally enacting RCW 83.100.020, the Washington State Legislature made a promise to Washington taxpayers that the applicable exclusion amount would be indexed annually for inflation. The unforeseen relabeling by a federal agency of the applicable CPI should not deprive Washington taxpayers of the annual indexing protection the Legislature intended them to have. The DOR position to the contrary, based on a technicality, frustrates rather than furthers that legislative intent. Restoring the indexed estate tax system with HB 1375 (1) is legally consistent

³ See, e.g., <https://dor.wa.gov/sites/default/files/2022-02/EstateTaxExclusionAmount.pdf>.

⁴ *Fed. Way Sch. Dist. No. 210 v. Vinson*, 172 Wash.2d 756, 765, 261 P.3d 145 (2011). “Occasionally, however, the literal expression of legislation may be inconsistent with the obvious objectives or policy behind it, and in such circumstances the spirit or intention of the law must prevail over the letter of the law.” *State v. Brasel*, 28 Wn. App. 303, 309, 623 P.2d 696 (1981).

⁵ The likely construction of the statute by the courts is that the RCW 83.100.020(1)(a)(ii) phrase “must be adjusted annually” means the RCW 83.100.020(1)(b) reference to the Seattle-Tacoma-Bremerton CPI includes, by implication, the currently published replacement index (the Seattle-Tacoma-Bellevue CPI). A factor likely to persuade the courts to do so is that the USBLS itself considers the two indexes to be essentially equivalent. The October 2018 CPI “Chart 1, Over-the-year percent change in CPI-U, Seattle-Tacoma-Bellevue, WA, October 2015 – 2018” merged the Seattle-Tacoma-Bremerton CPI and the Seattle-Tacoma-Bellevue CPI (otherwise, Chart 1 could not possibly span the time period October 2015 to October 2018). See https://www.bls.gov/regions/west/news-release/2018/consumerpriceindex_seattle_20181114.htm. The USBLS explanation is “In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI). As part of the new sample, the index for this area was *renamed*.” (Emphasis added). Since, for purposes of RCW 83.100.020(1)(b), the “renamed” currently applicable CPI is essentially the equivalent of the formerly applicable CPI, the questionable DOR position to the contrary is a difficult-to-defend intentional failure to carry out the legislative intent of RCW 83.100.020(1)(a)(ii).

⁶ “For estates of decedents dying in calendar year 2014 and each calendar year thereafter, the [\$2 million dollar amount] *must be adjusted annually*” (emphasis added).

with the principle that the Legislature's intent governs, (2) will halt the DOR's interpretation of the current statute, (3) will help protect Washington taxpayers from inflationary pressures that are beyond their control, and (4) will increase public respect for the integrity of state government.

For the above-described reasons, the undersigned, and all persons listed on the attached Exhibit A, support the enactment of HB 1375.

Respectfully submitted,



Ryan L. Montgomery
WSBA #34224



Liberty Upton
WSBA # 47140



Brent Williams-Ruth
WSBA # 32437

cc: Hon. Sen. Mark Schoesler - mark.schoesler@leg.wa.gov (email only)
Hon. Sen. Leonard Christian - leonard.christian@leg.wa.gov (email only)
Hon. Sen. Perry Dozier - Perry.Dozier@leg.wa.gov (email only)
Hon. Sen. Judith Warnick - judith.warnick@leg.wa.gov (email only)

EXHIBIT A

First name	Last Name	Bar #	City/Residence	
Anna	Cashman	41782	Seattle	
Kailei	Jamieson Feeney	43378	Seattle	
Shannon	Jones	28300	Tacoma	
Heather	De Vrieze	28553	Seattle	
Shannon	Sperry	6295	Mercer Island	
Daniel	Findley	43362	Snoqualmie	
Bryce	Dille	2862	Gig Harbor	
Craig	Elkins	14608	Issaquah	
Timothy	Austin	2939	Mill Creek	
Christopher	Benis	17972	Tampa	
Heidi	Baxter	36879	Mercer Island	
Andrew	Hay	19164	University Place	
Sandra	Perkins	15993	Seattle	
David	Petrich	18711	Tacoma	
Laura	Zeman	30221	Kirkland	
Patrick	McGowan	11901	Bellevue	
David	King	43031	Des Moines	
Rachel	Roberts	50303	Shoreline	
Virginia	Antipolo-Utt	14696	Everett	
Jack	Ludwick	5715	Kirkland	
Jon	Fritzler	48317	Vancouver	
Larry	Schreiter	8329	Issaquah	
Heather	Maloney	56506	Seattle	
Elizabeth	Carney	39005	Seattle	
Shannon	Loyd		Fox Island	
Lance	Loyd	56039	Fox Island	
Sarah	McCarthy	47006	Langley	
Dean	Butler	9649	Kirkland	
Lindsay	Doucette	51737	Seattle	
Susan	House		Seattle	
Evan	Thomas III	5836	Mercer Island	
Wendy	Allard	29760	Bellevue	
Douglas	Lawrence	9324	Sammamish	
Theresa	Dowell	9247	Bellevue	
Carolyn	Simms	18258	Washougal	
Stephanie	Garrett		Mukilteo	CPA
Justin	Bourne		Kenmore	CPA
Cindy	Stakset	30580	Puyallup	
Sarah E.	Smith	39605	Seattle	
Diane	Wies	31276	Seattle	

First name	Last Name	Bar #	City/Residence	
Sarah	Smith	45798	Edmonds	
John	White	13682	Bellevue	
Joyce	Conner		North Tacoma	Appraiser
Karen	Bertram	22051	Bainbridge Island	
Yuping	Wang	52018	Seattle	
Carla	Higginson	10653	Friday Harbor	
Julie	Martiniello	42985	Normandy Park	
Thomas	Gores	5425	Bellevue	
Ashely	Sandberg		Kenmore	CPA
Jacalyn	Holsted		Fall City	Consultant
George	Frank		Seattle	
Scott	Terry	19087	Lake Tapps	
Joe	Dominick		Bellevue	Financial Adviser
Rodney	Harmon	11059	Bothell	
Timothy	Steen	35560	Snohomish	
Krista	MacLaren	27550	Edmonds	
Amy	Lewis	22176	Tacoma	
Bryn	Peterson	30261	Mercer Island	
Jason	Burnett	30516	Seattle	
Ryan	Castle	46601	Bellingham	
Greg	Johnson		Sammamish	
Nancy	Johnson		Sammamish	
Andrea	Huff	37909	Olympia	
Teresa	Byers	34388	Seattle	
David	Mack	47452	Yakima	
John	Sherwood	27294	Kirkland	
Jeff	Norris		Kirkland	
Amy	Allison	34317	Edmonds	
Randy	Boyer	8665	Lynnwood	
Neli	Espe	29783	Anacortes	
Kokie	Adams	19344	Lynnwood	
J. Patrick	Aylward	7212	Wenatchee	
Mimi	Wagner	36377	Friday Harbor	
Deborah	Fly		Redmond	Community
Mark	McClure	24393	Kent	
Deborah	Jameson	28261	Tacoma	
Stephen	Grasso		Sammamish	Community
Jennifer	Gellner	30701	Seattle (34 th LD)	
Shawn	Holman		Seattle	Community
Jeanne	Dawes	44888	Spokane	
Letitia	Fong		Bellevue	Community
Bathan	Fong		Bellevue	Community

First name	Last Name	Bar #	City/Residence	
Remington	Fong		Bellevue	Community
Karen	Wong		Seattle	Community
David	Wong		Seattle	Community
Kristina	Ash	46043	Bellevue	
Alan	Montgomery	7257	Seattle	
Livingston	Wernecke	5000	Seattle	
Greg	Gilday	36608	Camano Island	
James	Minorchio	13023	Shoreline	
Christine	Opp		Issaquah	Financial Adviser
Chris	Sanderson		Gig Harbor	Community
Chris	Bixby		Tukwila	Financial Adviser
Pamela	Rohr	19584	Spokane	
David	Greenberg	46308	Bellevue	
Neil	Larson		Kenmore	CPA
Gregory	Petrie	7004	Seattle	
Nancy	Cahill	14287	Seattle	
Dr. Rakesh	Chauhan, M.D.		Seattle	Community
Stuart	Scarff	17296	Mercer Island	
Laurel	Smith	6370	Rochester	
Guy	Fly		Redmond	Community
William	Kessler	37865	Edmonds	
Elise	Foley		Bellingham	Community
William	Dana		Shoreline	Community
Leslie	Dana		Shoreline	Community
Amanda	Nathan	46469	Bainbridge Island	
Sam	Shakhramanov		Tacoma	Financial Adviser
Cindi	Morrison		Seattle	Community
Ed	Sterner	9420	Lake Forest Park	
Mary Ann	Fordyce		Seattle	Community
Rob	Turloch	9436	Port Angeles	
Robert	Cole	10936	Stanwood	
Chad	Procter	37268	Seattle	
Joseph N.	Pew, V	44796	Seattle	
Richard	Olsen		Bellingham	Community
Josh	Grant	6441	Wilbur	
Janean	Kelly	44453	Poulsbo	
James	Ihnot	10867	Remond	
Kristi	Mathisen	14444	Bainbridge Island	

First name	Last Name	Bar #	City/Residence	
Karen	Cobb	34958	Seattle	
Stephanie	d'Ippolito		Lynnwood	Financial Adviser
Maggie	Lassen	43644	Seattle	
Kjersti	Stroup	44574	West Seattle	
Kevin	Clouse		Kirkland	Financial Adviser
Megan	Gebhardt	38261	Seattle	
Jennifer	Johnson	41006	Kelso	
George Robert	Lane	35120	Seattle	
Jeff	Moseley		Seattle	Financial Adviser
Amy	Felt	39764	Spokane	
Michael	Zuccarini	9139	Bellevue	
Setareh	Mahmoodi	44288	Bothell	
Reed	Jones	47905	Seattle	
Paige	Buurstra	40500	Snohomish	
Alisson	Wall	43105	Seattle	
Kelsey	Ondrak	52924	Seattle	
Angela	Carr Baker	35675	Seattle	
J. William	Zook, Jr	15457	Coupeville	
Colleen	Cook	17110	Seattle	
Mary	McHugh	34302	Aberdeen	
Kyle	Caouette		Seattle	
Dan	Weinreb	62969	Seattle	
Samantha	Shaw	59450	Shoreline	
Jake	Pendergast	62837	Yarrow Point	
Kaitlyn	Perez	52953	Lake Forest Park	
Tamara	Roe	21131	Bellevue	
Michael	Gossler	11044	Mercer Island	
Scott	Feir	28192	Seattle	
Sara	Campbell	47999	Mill Creek	
Kaya	Lurie	51419	Seattle	
Andrew	Chisholm	30673	Spokane	
Jonathan	Moore	41877	Edmonds	
Joshua	Pope	47698	Edmonds	
Aubin	Fefley	63046	Seattle	
Stephanie	Dahlstrom	54127	Carnation	
Nathaniel	Somers	46554	Mercer Island	
Luke	Campbell	40501	Seattle	
Inger	Brockman	29294	Kirkland	
Kristiana	O'Brien	29322	Mercer Island	
Benjamin	VandenBerghe	35477	Edmonds	
Allison	Int-Hout	55735	Wenatchee	

First name	Last Name	Bar #	City/Residence	
Joseph	Hamell	29423	Auburn	
Matthew	Hart	49963	Kenmore	
Briana	Irani	61596	Mountlake Terrace	
Verna	Garton		Chelan	Community
Jeff	Sayre	19056	Seattle	
Alexander	Hurt	47139	Issaquah	