

## Income/Franchise:

### Washington DOR Adopts New Rule Addressing How to Calculate Capital Gains Tax

*New Regulation section 458-20-301*, Wash. Dept. of Rev. (eff. 6/15/24). The Washington Department of Revenue adopted a new rule intended to provide taxpayers with information on calculating Washington's tax on long-term capital gains earned by some individuals from the sale or exchange of certain capital assets at the rate of 7% beginning January 1, 2022 [see E.S.S.B. 5096 and previously issued Multistate Tax Alert (May 13, 2021) for more details on this state tax, as well as previously issued Multistate Tax Alert (March 27, 2023) for more details on the Washington Supreme Court's decision upholding the validity of the tax]. The adopted new rule includes some relevant definitions; explains exemptions, deductions, and allocations of gain under the tax; and provides several illustrative examples. Please contact us with any questions.

**URL:** <https://dor.wa.gov/sites/default/files/2024-07/20-301cr3frmdraftJune24.pdf>

**URL:** <https://app.leg.wa.gov/billsummary?BillNumber=5096&Year=2021&Initiative=false>

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/washington-law-imposes-new-excise-tax-on-capital-gains.pdf>

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-multistate-tax-alert-washington-supreme-court-upholds-capital-gains-tax.pdf>

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