

SB1669



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1669

Introduced 2/19/2009, by Sen. Matt Murphy

SYNOPSIS AS INTRODUCED:

35 ILCS 405/2

from Ch. 120, par. 405A-2

Amends the Illinois Estate and Generation-Skipping Transfer Tax Act. Provides that, for persons dying after December 31, 2008 (now, December 31, 2009), the "State tax credit" is the amount of the federal credit for state tax allowable under the Internal Revenue Code. Effective immediately.

LRB096 10717 HLH 20899 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Estate and Generation-Skipping
5 Transfer Tax Act is amended by changing Section 2 as follows:

6 (35 ILCS 405/2) (from Ch. 120, par. 405A-2)

7 Sec. 2. Definitions.

8 "Federal estate tax" means the tax due to the United States
9 with respect to a taxable transfer under Chapter 11 of the
10 Internal Revenue Code.

11 "Federal generation-skipping transfer tax" means the tax
12 due to the United States with respect to a taxable transfer
13 under Chapter 13 of the Internal Revenue Code.

14 "Federal return" means the federal estate tax return with
15 respect to the federal estate tax and means the federal
16 generation-skipping transfer tax return with respect to the
17 federal generation-skipping transfer tax.

18 "Federal transfer tax" means the federal estate tax or the
19 federal generation-skipping transfer tax.

20 "Illinois estate tax" means the tax due to this State with
21 respect to a taxable transfer.

22 "Illinois generation-skipping transfer tax" means the tax
23 due to this State with respect to a taxable transfer that gives

1 rise to a federal generation-skipping transfer tax.

2 "Illinois transfer tax" means the Illinois estate tax or
3 the Illinois generation-skipping transfer tax.

4 "Internal Revenue Code" means, unless otherwise provided,
5 the Internal Revenue Code of 1986, as amended from time to
6 time.

7 "Non-resident trust" means a trust that is not a resident
8 of this State for purposes of the Illinois Income Tax Act, as
9 amended from time to time.

10 "Person" means and includes any individual, trust, estate,
11 partnership, association, company or corporation.

12 "Qualified heir" means a qualified heir as defined in
13 Section 2032A(e) (1) of the Internal Revenue Code.

14 "Resident trust" means a trust that is a resident of this
15 State for purposes of the Illinois Income Tax Act, as amended
16 from time to time.

17 "State" means any state, territory or possession of the
18 United States and the District of Columbia.

19 "State tax credit" means:

20 (a) For persons dying on or after January 1, 2003 and
21 through December 31, 2005, an amount equal to the full credit
22 calculable under Section 2011 or Section 2604 of the Internal
23 Revenue Code as the credit would have been computed and allowed
24 under the Internal Revenue Code as in effect on December 31,
25 2001, without the reduction in the State Death Tax Credit as
26 provided in Section 2011(b) (2) or the termination of the State

1 Death Tax Credit as provided in Section 2011(f) as enacted by
2 the Economic Growth and Tax Relief Reconciliation Act of 2001,
3 but recognizing the increased applicable exclusion amount
4 through December 31, 2005.

5 (b) For persons dying after December 31, 2005 and on or
6 before December 31, 2008 ~~December 31, 2009~~, an amount equal to
7 the full credit calculable under Section 2011 or 2604 of the
8 Internal Revenue Code as the credit would have been computed
9 and allowed under the Internal Revenue Code as in effect on
10 December 31, 2001, without the reduction in the State Death Tax
11 Credit as provided in Section 2011(b)(2) or the termination of
12 the State Death Tax Credit as provided in Section 2011(f) as
13 enacted by the Economic Growth and Tax Relief Reconciliation
14 Act of 2001, but recognizing the exclusion amount of only
15 \$2,000,000.

16 (c) For persons dying after December 31, 2008 ~~December 31,~~
17 ~~2009~~, the credit for state tax allowable under Section 2011 or
18 Section 2604 of the Internal Revenue Code.

19 "Taxable transfer" means an event that gives rise to a
20 state tax credit, including any credit as a result of the
21 imposition of an additional tax under Section 2032A(c) of the
22 Internal Revenue Code.

23 "Transferee" means a transferee within the meaning of
24 Section 2603(a)(1) and Section 6901(h) of the Internal Revenue
25 Code.

26 "Transferred property" means:

1 (1) With respect to a taxable transfer occurring at the
2 death of an individual, the deceased individual's gross
3 estate as defined in Section 2031 of the Internal Revenue
4 Code.

5 (2) With respect to a taxable transfer occurring as a
6 result of a taxable termination as defined in Section
7 2612(a) of the Internal Revenue Code, the taxable amount
8 determined under Section 2622(a) of the Internal Revenue
9 Code.

10 (3) With respect to a taxable transfer occurring as a
11 result of a taxable distribution as defined in Section
12 2612(b) of the Internal Revenue Code, the taxable amount
13 determined under Section 2621(a) of the Internal Revenue
14 Code.

15 (4) With respect to an event which causes the
16 imposition of an additional estate tax under Section
17 2032A(c) of the Internal Revenue Code, the qualified real
18 property that was disposed of or which ceased to be used
19 for the qualified use, within the meaning of Section
20 2032A(c) (1) of the Internal Revenue Code.

21 "Trust" includes a trust as defined in Section 2652(b) (1)
22 of the Internal Revenue Code.

23 (Source: P.A. 93-30, eff. 6-20-03.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.