



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1735

Introduced 2/5/2025, by Sen. Jil Tracy

SYNOPSIS AS INTRODUCED:

35 ILCS 405/3	from Ch. 120, par. 405A-3
35 ILCS 405/4	from Ch. 120, par. 405A-4
35 ILCS 405/19 new	

Amends the Illinois Estate and Generation-Skipping Transfer Tax Act. Provides that the amount of the taxes imposed under the Act shall be reduced in each year by 20%. Provides that no tax shall be imposed under the Act for persons dying on or after January 1, 2030 or for transfers occurring on or after January 1, 2030. Provides that the Act is repealed on January 1, 2031. Effective immediately.

LRB104 06570 HLH 16606 b

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 Sections 3 and 4 and by
6 adding Section 19 as follows:

7 (35 ILCS 405/3) (from Ch. 120, par. 405A-3)

8 Sec. 3. Illinois estate tax.

9 (a) Imposition of Tax. An Illinois estate tax is imposed
10 on every taxable transfer involving transferred property
11 having a tax situs within the State of Illinois.

12 (b) Amount of tax. On estates of persons dying before
13 January 1, 2003, the amount of the Illinois estate tax shall be
14 the state tax credit, as defined in Section 2 of this Act, with
15 respect to the taxable transfer reduced by the lesser of:

16 (1) the amount of the state tax credit paid to any
17 other state or states; and

18 (2) the amount determined by multiplying the maximum
19 state tax credit allowable with respect to the taxable
20 transfer by the percentage which the gross value of the
21 transferred property not having a tax situs in Illinois
22 bears to the gross value of the total transferred
23 property.

1 (c) On estates of persons dying on or after January 1, 2003
2 and dying before January 1, 2026, the amount of the Illinois
3 estate tax shall be the state tax credit, as defined in Section
4 2 of this Act, reduced by the amount determined by multiplying
5 the state tax credit with respect to the taxable transfer by
6 the percentage which the gross value of the transferred
7 property not having a tax situs in Illinois bears to the gross
8 value of the total transferred property.

9 (d) On estates of person dying on or after January 1, 2026
10 and dying before January 1, 2027, the amount of the Illinois
11 estate tax shall be the amount calculated under subsection
12 (c), multiplied by 0.8.

13 (e) On estates of person dying on or after January 1, 2027
14 and dying before January 1, 2028, the amount of the Illinois
15 estate tax shall be the amount calculated under subsection
16 (c), multiplied by 0.6.

17 (f) On estates of person dying on or after January 1, 2028
18 and dying before January 1, 2029, the amount of the Illinois
19 estate tax shall be the amount calculated under subsection
20 (c), multiplied by 0.4.

21 (g) On estates of person dying on or after January 1, 2029
22 and dying before January 1, 2030, the amount of the Illinois
23 estate tax shall be the amount calculated under subsection
24 (c), multiplied by 0.2.

25 (h) No tax shall be imposed under this Act for persons
26 dying on or after January 1, 2030.

1 (Source: P.A. 93-30, eff. 6-20-03; 94-419, eff. 8-2-05.)

2 (35 ILCS 405/4) (from Ch. 120, par. 405A-4)

3 Sec. 4. Illinois generation-skipping transfer tax.

4 (a) Imposition of tax. An Illinois generation-skipping
5 transfer tax is imposed on every taxable transfer resulting in
6 federal generation-skipping transfer tax involving transferred
7 property having a tax situs within the State of Illinois.

8 (b) Amount of tax. The amount of the Illinois
9 generation-skipping transfer tax shall be the maximum state
10 tax credit allowable with respect to the taxable transfer,
11 reduced by the lesser of:

12 (1) the amount of the state tax credit paid to any
13 other state or states; and

14 (2) the amount determined by multiplying the maximum
15 state tax credit allowable with respect to the taxable
16 transfer by the percentage which the gross value of the
17 transferred property not having a tax situs in Illinois
18 bears to the gross value of the total transferred
19 property.

20 (c) For transfers occurring on or after January 1, 2026
21 and occurring before January 1, 2027, the amount of the
22 Illinois generation-skipping transfer tax shall be the amount
23 calculated under subsection (b), multiplied by 0.8.

24 (d) For transfers occurring on or after January 1, 2027
25 and occurring before January 1, 2028, the amount of the

1 Illinois generation-skipping transfer tax shall be the amount
2 calculated under subsection (b), multiplied by 0.6.

3 (e) For transfers occurring on or after January 1, 2028
4 and occurring before January 1, 2029, the amount of the
5 Illinois generation-skipping transfer tax shall be the amount
6 calculated under subsection (b), multiplied by 0.4.

7 (f) For transfers occurring on or after January 1, 2029
8 and occurring before January 1, 2030, the amount of the
9 Illinois generation-skipping transfer tax shall be the amount
10 calculated under subsection (b), multiplied by 0.2.

11 (h) No tax shall be imposed under this Act for persons
12 dying on or after January 1, 2030.

13 (Source: P.A. 86-737.)

14 (35 ILCS 405/19 new)

15 Sec. 19. Repeal. This Act is repealed on January 1, 2031.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.