1   AN ACT in relation to taxes.

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
9   States with respect to a taxable transfer under Chapter 11 of
10   the 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
19   the federal generation-skipping transfer tax.
20   "Illinois estate tax" means the tax due to this State
21   with respect to a taxable transfer that gives rise to a
22   federal estate tax.
23   "Illinois generation-skipping transfer tax" means the tax
24   due to this State with respect to a taxable transfer that
25   gives rise to a federal generation-skipping transfer tax.
26   "Illinois transfer tax" means the Illinois estate tax or
27   the Illinois generation-skipping transfer tax.
28   "Internal Revenue Code" means, unless otherwise provided,
29   the Internal Revenue Code of 1986, as amended from time to
30   time.
31   "Non-resident trust" means a trust that is not a resident

1 of this State for purposes of the Illinois Income Tax Act, as
2 amended from time to time.
3   "Person" means and includes any individual, trust,
4 estate, partnership, association, company or corporation.
5   "Qualified heir" means a qualified heir as defined in
6 Section 2032A(e)(1) of the Internal Revenue Code.
7   "Resident trust" means a trust that is a resident of this
8 State for purposes of the Illinois Income Tax Act, as amended
9 from time to time.
10   "State" means any state, territory or possession of the
11 United States and the District of Columbia.
12   "State tax credit" means the credit for state tax
13 allowable under Section 2011 or Section 2604 of the Internal
14 Revenue Code as computed under the federal estate tax law in
15 effect on December 31, 2000.
16   "Taxable transfer" means an event that gives rise to a
17 state tax credit, including any credit allowable as a result
18 of the imposition of an additional tax under Section 2032A(c)
19 of the Internal Revenue Code.
20   "Transferee" means a transferee within the meaning of
21 Section 2603(a)(1) and Section 6901(h) of the Internal
22 Revenue Code.
23   "Transferred property" means:
24   (1) With respect to a taxable transfer occurring at
25   the death of an individual that results in the imposition
26   of federal estate tax, the deceased individual's gross
27   estate as defined in Section 2031 of the Internal Revenue
28   Code.
29   (2) With respect to a taxable transfer occurring as
30   a result of a taxable termination as defined in Section
31   2612(a) of the Internal Revenue Code, the taxable amount
32   determined under Section 2622(a) of the Internal Revenue
33   Code.
34   (3) With respect to a taxable transfer occurring as

1   a result of a taxable distribution as defined in Section
2   2612(b) of the Internal Revenue Code, the taxable amount
3   determined under Section 2621(a) of the Internal Revenue
4   Code.

5   (4) With respect to an event which causes the
6   imposition of an additional estate tax under Section
7   2032A(c) of the Internal Revenue Code, the qualified real
8   property that was disposed of or which ceased to be used
9   for the qualified use, within the meaning of Section
10   2032A(c)(1) of the Internal Revenue Code.
11   "Trust" includes a trust as defined in Section 2652(b)(1)
12   of the Internal Revenue Code.
13   (Source: P.A. 86-737.)

14   Section 99. Effective date. This Act takes effect upon
15   becoming law.