



Rep. Stephanie A. Kifowit

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LRB099 14379 HLH 41114 a

1 AMENDMENT TO HOUSE BILL 4300

2 AMENDMENT NO. _____. Amend House Bill 4300 by inserting
3 Article 110 in its proper numeric sequence as follows:

4 "ARTICLE 110. ESTATE TAX

5 Section 110-5. The Illinois Estate and Generation-Skipping
6 Transfer Tax Act is amended by changing Section 2 as follows:

7 (35 ILCS 405/2) (from Ch. 120, par. 405A-2)

8 Sec. 2. Definitions.

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

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

15 "Federal return" means the federal estate tax return with

1 respect to the federal estate tax and means the federal
2 generation-skipping transfer tax return with respect to the
3 federal generation-skipping transfer tax.

4 "Federal transfer tax" means the federal estate tax or the
5 federal generation-skipping transfer tax.

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

8 "Illinois generation-skipping transfer tax" means the tax
9 due to this State with respect to a taxable transfer that gives
10 rise to a federal generation-skipping transfer tax.

11 "Illinois transfer tax" means the Illinois estate tax or
12 the Illinois generation-skipping transfer tax.

13 "Internal Revenue Code" means, unless otherwise provided,
14 the Internal Revenue Code of 1986, as amended from time to
15 time.

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

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

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

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

26 "State" means any state, territory or possession of the

1 United States and the District of Columbia.

2 "State tax credit" means:

3 (a) For persons dying on or after January 1, 2003 and
4 through December 31, 2005, an amount equal to the full credit
5 calculable under Section 2011 or Section 2604 of the Internal
6 Revenue Code as the credit would have been computed and allowed
7 under the Internal Revenue Code as in effect on December 31,
8 2001, without the reduction in the State Death Tax Credit as
9 provided in Section 2011(b) (2) or the termination of the State
10 Death Tax Credit as provided in Section 2011(f) as enacted by
11 the Economic Growth and Tax Relief Reconciliation Act of 2001,
12 but recognizing the increased applicable exclusion amount
13 through December 31, 2005.

14 (b) For persons dying after December 31, 2005 and on or
15 before December 31, 2009, and for persons dying after December
16 31, 2010, an amount equal to the full credit calculable under
17 Section 2011 or 2604 of the Internal Revenue Code as the credit
18 would have been computed and allowed under the Internal Revenue
19 Code as in effect on December 31, 2001, without the reduction
20 in the State Death Tax Credit as provided in Section 2011(b) (2)
21 or the termination of the State Death Tax Credit as provided in
22 Section 2011(f) as enacted by the Economic Growth and Tax
23 Relief Reconciliation Act of 2001, but recognizing the
24 exclusion amount of only (i) \$2,000,000 for persons dying prior
25 to January 1, 2012, (ii) \$3,500,000 for persons dying on or
26 after January 1, 2012 and prior to January 1, 2013, ~~and~~ (iii)

1 \$4,000,000 for persons dying on or after January 1, 2013 and
2 prior to January 1, 2017, and (iv) \$6,500,000 for persons dying
3 on or after January 1, 2017, and with reduction to the adjusted
4 taxable estate for any qualified terminable interest property
5 election as defined in subsection (b-1) of this Section.

6 (b-1) The person required to file the Illinois return may
7 elect on a timely filed Illinois return a marital deduction for
8 qualified terminable interest property under Section
9 2056(b)(7) of the Internal Revenue Code for purposes of the
10 Illinois estate tax that is separate and independent of any
11 qualified terminable interest property election for federal
12 estate tax purposes. For purposes of the Illinois estate tax,
13 the inclusion of property in the gross estate of a surviving
14 spouse is the same as under Section 2044 of the Internal
15 Revenue Code.

16 In the case of any trust for which a State or federal
17 qualified terminable interest property election is made, the
18 trustee may not retain non-income producing assets for more
19 than a reasonable amount of time without the consent of the
20 surviving spouse.

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

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

1 Code.

2 "Transferred property" means:

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

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

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

17 (4) With respect to an event which causes the
18 imposition of an additional estate tax under Section
19 2032A(c) of the Internal Revenue Code, the qualified real
20 property that was disposed of or which ceased to be used
21 for the qualified use, within the meaning of Section
22 2032A(c) (1) of the Internal Revenue Code.

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

25 (Source: P.A. 96-789, eff. 9-8-09; 96-1496, eff. 1-13-11;
26 97-636, eff. 6-1-12.)".