

## **2019**

# **Important Notice Regarding Illinois Estate Tax and Fact Sheet**

For decedents dying prior to 2019, see the Instruction Fact Sheets previously posted on the Attorney General's website covering the specific year of death.

For persons dying in 2019, the Federal exemption for Federal estate tax purposes is \$11,400,000. The exclusion amount for Illinois estate tax purposes is \$4,000,000. The exclusion amount is a taxable threshold and not a credit against tax. If an estate's gross value exceeds \$4,000,000 after inclusion of adjusted taxable gifts, an Illinois Form 700 must be filed, whether or not a federal return is required by the Internal Revenue Service. The estate representative should prepare and submit the Illinois Form 700 with a Federal Form 706, including all schedules, appraisals, wills, trusts, attachments, etc. If an estate is not federally taxable and does not wish to submit a Form 706, the information may be presented in an alternate format as long as all necessary information is included. (See Ill. Admin. Code tit. 86, § 2000.110). The Illinois estate tax will be determined using an interrelated calculation for 2019 decedents. The calculator at the Illinois Attorney General's website ([www.illinoisattorneygeneral.gov](http://www.illinoisattorneygeneral.gov)) may be used for this computation. To determine tax due, insert the amounts from Lines 3 and 5 of Schedule A or B, Form 700. Please note that the calculator will not perform the computation unless amounts are entered into both fields.

For both resident and non-resident decedents, a preliminary tax amount should be calculated assuming all assets are located within Illinois. (Line 6, Schedule A or B, Form 700). The apportioned tax can then be determined by multiplying that figure by the ratio of Illinois assets to total assets.

### **Illinois QTIP Election (Qualified Terminable Interest Property)**

For persons dying January 1, 2009 and after, the estate may make a QTIP election for Illinois purposes in addition to any Federal QTIP election. The Illinois QTIP must be elected on a timely filed Illinois return by checking the election box (pg. 2, box 4), inserting the dollar amount of the QTIP election, and providing the social security number of the surviving spouse. A list of Illinois QTIP property should be submitted with the return. This may include trust property where an undivided percentage is part of the QTIP, in which case the numeric percentage of trust property included in the QTIP should be listed. An affidavit by the Trustee as to what is included in the QTIP amount will suffice. The Illinois QTIP election will follow Federal statutes and rules for treatment of elected property passing to the surviving spouse and inclusion on the return of the surviving spouse, except as to the application of the Illinois Religious Freedom Protection and Civil Union Act to parties of a civil union for Illinois estate tax purposes.

## **Estate Tax Treatment of Civil Unions**

- a) Whenever the Illinois Estate and Generation-Skipping Transfer Tax Act incorporates provisions of the Internal Revenue Code, those provisions shall be construed in accordance with the Illinois Religious Freedom Protection and Civil Union Act [750 ILCS 75]. Individuals who are parties to a civil union recognized under 750 ILCS 75 occurring on or after June 1, 2011 shall be subject to the same obligations and responsibilities and afforded the same protections and benefits under this Part as apply to spouses in a marriage recognized for federal estate tax purposes. An Illinois marital deduction, including qualified terminal interest property (Q-TIP) elections allowable under 35 ILCS 405/2(b-1), is therefore allowable for property passing from a decedent to his or her partner in a civil union recognized under 750 ILCS 75 to the same extent that property transferred to a husband or wife is allowable as a marital deduction, including Q-TIP elections, under the Internal Revenue Code (26 USC 2044 and 2056). Because civil unions are not recognized for federal estate tax purposes, civil union partners recognized under 750 ILCS 75 who elect a marital deduction and Q-TIP elections for Illinois estate tax purposes are required to file the following returns with the Illinois Attorney General:
- 1) A Form 700 Illinois Estate and Generation-Skipping Transfer Tax Return, available on the Attorney General's website (<https://illinoisattorneygeneral.gov/estate-taxes/>);
  - 2) A pro forma Federal Form 706 United States Estate (and Generation-Skipping Transfer) Tax Return completed as if the federal estate tax statutes allowed a marital deduction to civil union partners recognized under 750 ILCS 75 that reflects the marital deductions claimed; and
  - 3) For those estates that were required to file a return in accordance with federal law (26 USC 2001 et seq.), a copy of the Federal Form 706 United States Estate (and Generation-Skipping Transfer) Tax Return actually filed with the Internal Revenue Service.
- b) As used in this Section, the term "Qualified terminal interest property" or "Q-TIP" has the same meaning as prescribed in 26 USC 2056(b)(7)(B).

(Ill. Admin. Code tit. 86, § 2000.100, et seq.)

### **Computation Examples of Illinois Estate Tax**

|   |   |
|---|---|
| 2019 decedent with an estate of<br>of \$2,000,000 | \$0 Illinois Estate Tax<br>\$0 Federal Estate Tax |
| 2019 decedent with an estate of<br>\$3,000,000    | \$0 Illinois Estate Tax<br>\$0 Federal Estate Tax |

|   |  |
|---|--|
| 2019 decedent with an estate of \$3,000,100 and adjusted taxable gifts of \$1,000,000     | \$28 Illinois Estate Tax<br>\$0 Federal Estate Tax   |
| 2019 decedent with an estate of \$4,000,000 (all Illinois property)                       | \$0 Illinois Estate Tax<br>\$0 Federal Estate Tax  |
| 2019 decedent with an estate of \$5,000,000 (all Illinois property)                       | \$285,714 Illinois Estate Tax<br>\$0 Federal Estate Tax  |
| 2019 decedent with an estate of \$5,000,000 with 50% in Illinois and 50% in Florida       | \$142,857 Illinois Estate Tax<br>(even though Florida imposes no State Estate Tax)<br>\$0 Federal Estate Tax |
| 2019 decedent with an estate of \$11,400,000, a surviving spouse, and an IL QTIP election | Illinois QTIP \$7,400,000<br>\$0 Illinois Estate Tax<br>\$0 Federal Estate Tax                               |

**Note: The portability and carry-over of the unused Federal exemption to the surviving spouse is inapplicable to the computation and assessment of the Illinois Estate Tax.**

The Illinois Attorney General administers the Illinois Estate Tax. The Illinois Estate Tax Return is designated and titled Form 700 and is posted on the Attorney General’s website. **The original Return must be filed with the Illinois Attorney General’s Office, by U.S. mail, courier, or hand delivery.** For Cook, DuPage, Lake and McHenry Counties, the original Return along with a copy of the Federal Return is filed at the Office of the Illinois Attorney General, Revenue Litigation Bureau - Estate Tax Section, 115 S. LaSalle Street, Chicago, Illinois 60603. For all other counties, the original return along with a copy of the Federal Return is filed at the Office of the Illinois Attorney General, Revenue Litigation Bureau - Estate Tax Section, 500 South Second Street, Springfield, Illinois 62701. **All taxes, interest and penalties must be paid directly to the Illinois State Treasurer with the “Illinois State Treasurer Estate Tax Payment Form”** available on the State Treasurer’s website at [www.illinoistreasurer.gov/Individuals/Estate\\_Tax](http://www.illinoistreasurer.gov/Individuals/Estate_Tax). The tax is due nine (9) months after the date of the decedent’s death. Extensions are available upon application to the Attorney General. Additionally, the Attorney General recognizes federal extensions. Further filing and payment instructions are on the Return.

If the Federal tax is paid in installments, the Illinois tax may be paid in installments. Form 4350a is the computation worksheet for installment payments and is available on the Attorney General’s website. Please note that “gross” values are used to determine the percentage subject to deferral; not adjusted values as on the Federal return.

A taxable estate which is not required to file federally may elect 2032 alternate valuation, 2032A special use valuation, and/or 6166 payment deferral for Illinois purposes. The estate must satisfy all requirements in the Internal Revenue Code and its regulations for making such elections, except as modified by Illinois law. For 6166 payment deferral, the maximum amount which may be deferred is as set forth at 35 ILCS 405/6(b). All forms and supporting documentation required with the Federal Form 706 for those elections must be filed with the Illinois Form 700.

Please contact the Estate Tax Section, Illinois Attorney General's Office with any questions or problems at:

Estate Tax Section  
115 S LaSalle Street  
Chicago, Illinois 60603  
Telephone: (312) 814-2491

Estate Tax Section  
500 South Second Street  
Springfield, Illinois 62701  
Telephone: (217) 524-5095