

1. Illinois Estate Tax "Decoupled" from Federal Credit for State Death Taxes.

For decedents dying on or after January 1, 2003, and through December 31, 2005, the Illinois Estate Tax has been frozen at levels in effect as of December 31, 2001, without the percentage reductions, and ultimate termination of the state death tax credit, enacted by the 2001 Federal Tax Act. The newly amended Illinois Estate Tax Act does recognize the increases in the applicable exclusion amount for the Federal Estate Tax, but only up to \$2,000,000. SB 1725 was signed into law on June 20, 2003, and is retroactive to January 1, 2003. SB1725, Public Act 093-0030,

**TABLE 2  
ILLINOIS ESTATE TAX**

<b>Taxable Estate/ Bracket Amount</b>	<b>Tax on Bracket Amount</b>	<b>Tax Rate on Excess Over Bracket Amount</b>
900,000	27,600	5.6%
1,100,000	38,800	6.4%
1,600,000	70,800	7.2%
2,100,000	106,800	8.0%
2,600,000	146,800	8.8%
3,100,000	190,800	9.6%
3,600,000	238,800	10.4%
4,100,000	290,800	11.2%
5,100,000	402,800	12.0%
6,100,000	522,800	12.8%
7,100,000	650,800	13.6%
8,100,000	786,800	14.4%
9,100,000	930,800	15.2%
10,100,000	1,082,800	16.0%

For 2003, Illinois does not impose estate tax on estates less than \$1,000,000.

For 2004 and 2005, Illinois does not impose estate tax on estates less than \$1,500,000.

For 2006 and later, Illinois does not impose estate tax on estates less than \$2,000,000.