

Reducing the tax burden on farmers

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LITCHFIELD - Representative Avery Bourne (R-Raymond) is sponsoring legislation to help local farm families by reducing the estate and inheritance taxes paid on land transfers upon death. The legislation, House Bill 6113, is an effort to stop double taxation of land transfers for agricultural purposes.

Bourne's HB6113 states that if a farmer gifts his land upon death to a descendant who was a farmer, then the exclusion amount for that descendant will be the federal exclusion amount. This is including any deceased spousal unused exclusion amount. The legislation also defines the term "farmer" means an individual whose adjusted

taxable estate consists of at least 75% farm property and who was engaged in active management of that farm property at any point during his or her lifetime.

Representative Bourne explains, "The estate tax in Illinois, especially for small farmers, often means that families must sell the family farm to meet their tax obligations. This adds to the overwhelming tax burden in Illinois." Bourne states, "This proposal grew out of a suggestion from my Agriculture Advisory Board and I am proud to bring it forward as just one more way we can make Illinois more competitive and compassionate."

The legislation would be effective immediately upon Governor Rauner's signing it into law.

Currently, 18 states impose an estate tax and 32 states (including neighboring Indiana) do not.