

IT 03-0011-GIL 03/17/2003 DEFINITIONS

General Information Letter: A qualified settlement fund is a corporation for Illinois income tax purposes. IT 99-0051 GIL amended.

March 17, 2003

Dear:

This is to inform you that a general information letter to you dated April 30, 1999, contains an error. The letter states that, although a qualified settlement fund is characterized as a corporation for Illinois income tax purposes, it should pay Illinois income tax at the rates imposed on a trust. This letter has been published as IT 99-0051 GIL. A copy is enclosed for your reference.

Please be advised that there is no provision in Illinois income tax law that would permit a corporation to pay tax at the rates imposed on trusts. A qualified settlement fund should file a corporate Form IL-1120 and pay tax at the rates specified in that form. IT 99-0051 GIL is amended accordingly. I apologize for any confusion this may have caused.

This is a general information letter which does not constitute a statement of policy that applies, interprets or prescribes the tax laws, and it is not binding on the Department. If you have any further questions, you may contact me at (217) 782-7055.

Sincerely,

Paul S. Caselton
Deputy General Counsel – Income Tax