

General Information Letter: Income from retirement plans of any governmental agency or unit is exempt from Illinois tax.

July 18, 2003

Dear:

This is in response to your letter dated June 4, 2003, in which you request information. Department of Revenue (“**Department**”) regulations require that the Department issue only two types of letter rulings, Private Letter Rulings (“**PLRs**”) and General Information Letters (“**GILs**”). **PLRs** are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A **PLR** is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the **PLR** are correct and complete. **GILs** do not constitute statements of agency policy that apply, interpret or prescribe the tax laws and are not binding on the Department. For your general information, the regulation governing the issuance of letter rulings, *2 Ill. Adm. Code Part 1200* regarding rulings and other information issued by the Department, can be accessed at the Department’s website. That address is www.revenue.state.il.us/legalinformation/regs/part1200.

The nature of your correspondence and the information provided require that we respond only with a **GIL**.

In your letter you state in part as follows:

I am respectfully requesting a Private Letter Ruling under 2 Ill. Adm. Code Part 1200 regarding pension income that I am receiving from another state pension.

I am receiving a state pension from the State of Maine.

Is this pension subject to and taxable under Illinois state income tax?

In response to your inquiries, please be advised that Section 203(a) of the Illinois Income Tax Act begins computation of taxable income with federal adjusted gross income (AGI). Certain exemptions, additions and subtractions then modify AGI to determine the amount taxed by the State of Illinois. Section 203(a)(2)(F) authorizes the subtraction from AGI of any amounts received “under the provisions of any retirement or disability plan for employees of any governmental agency or unit.” Accordingly, your state pension is not taxable.

As stated above, this is a **GIL** 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 wish to obtain a **PLR** which will bind the Department with respect to the application of the law to specific facts, please submit a request conforming to the requirements of *2 Ill. Adm. Code Part 1200*.

Sincerely yours,

Jackson E. Donley,
Senior Counsel-Income Tax