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Illinois Department of Revenue
PO Box 19010
Springfield, IL 62794-9010

Re: Qualified Funeral Trust Attachments

IDOR Counsel Matthew Crain recommended that a copy of his September 22, 2014 letter be included with each IL-1041 return prepared by The Preneed Resource Company for a qualified funeral trust. Schedule M will need to be amended by the Department of Revenue to reflect preneed funeral trusts that are maintained pursuant to the Illinois Funeral or Burial Funds Act. Until such time that the Schedule is amended, the September 22, 2014 letter is to be provided as authority for The Preneed Resource Company to alter Schedule M to include income earned by preneed funeral trusts subject to the Illinois Funeral or Burial Funds Act.

This office has also discussed with Mr. Crain the highlighted language of the 2000 Practitioners' Questions and Answers, and the Federal Form 1041QFT reporting of all preneed accounts. The IL-1041 seeks only those preneed accounts which made a distribution during the tax year. As a consequence, the Federal Form 1041QFT and its QFT attachment report larger amounts of income and expenses than what is required for the IL-1041. For support of the IL-1041, The Preneed Resource Company produces a separate QFT attachment of the preneed accounts that distributed during the tax year.

Sincerely,

William Stalter