

AN EXECUTIVE ORDER  
CONCERNING PAYMENTS OF REPARATIONS  
TO VICTIMS OF THE HOLOCAUST AND THEIR HEIRS

WHEREAS, there is a growing awareness on the part of citizens throughout the world of the moral obligation to make reparations to victims of the holocaust;

WHEREAS, the people of the State of Illinois are aware that no amount of monetary damages can fully compensate the holocaust victims, and they encourage and approve the payment of reparations;

WHEREAS, Illinois taxpayers who are entitled to (1) distributions because of their status as victims of persecution for ethnic, racial or religious reasons by Nazi Germany and any other Axis regime or heirs of such victims, and (2) any increase in value of assets from the time such assets were stolen from, hidden from or otherwise lost to victims of persecution, or monetary compensation in lieu of the assets, should not have those reparations be diminished by State income taxation;

WHEREAS, the governments of the United States and of the Federal Republic of Germany, in their income tax treaty of 1989, have recognized that governments should not diminish the amount of reparations payable to holocaust victims by subjecting reparations to income taxation; and

WHEREAS, the Internal Revenue Service has historically interpreted provisions of the Internal Revenue Code in such a manner so as to exclude from taxation reparations payable to holocaust victims to the greatest extent possible, consistent with the law;

THEREFORE, I, George H. Ryan, hereby order the following:

The Illinois Department of Revenue shall work to interpret all relevant State laws, federal laws and treaties in a consistent manner so as to exclude from Illinois income taxation reparations payable to holocaust victims to the greatest extent possible, consistent with its duties to enforce the law.

Be it further ordered that, if the Illinois Department of Revenue should determine that some future reparations payable to holocaust victims are not clearly excluded from Illinois income taxation, the Illinois Department of Revenue shall propose the necessary legislation to clearly exclude such reparations from taxation.

This Executive Order Number 14 (1999) shall be effective upon filing with the Secretary of State.

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GEORGE H. RYAN  
Governor

June 24, 1999