TOBERMAN BECKER

RETIREMENT TAX QUICK SHEET
ST. LOUIS REGION

Missouri vs. Illinois: Retirement Taxes at a Glance

Illinois often comes out ahead if you…

- Plan significant 401(k), IRA or pension withdrawals
- Are considering Roth conversions
- Expect to inherit a large IRA

Missouri often comes out ahead if you…

- Expect to sell investments with large gains
- Own a higher-value home
- Have an estate over $4 million per person

KEY 🟩 More favorable 🟥 Less favorable 🟨 Tie

State tax	Missouri	Illinois
401(k), IRA & pension income	🟥 Generally taxed	🟩 Generally exempt
Roth conversions	🟥 Generally taxed	🟩 Generally exempt
Inherited IRA withdrawals	🟥 Generally taxed	🟩 Generally exempt
Social Security	🟨 Exempt at age 62+	🟨 Exempt
Capital gains	🟩 Generally not taxed	🟥 Taxed at 4.95%
Interest & dividends	🟩 Taxed, at lower rates	🟥 Taxed at 4.95%
Estate tax threshold	🟩 None	🟥 Over $4M/person, up to 16% tax
Home property tax	🟩 About 1% of value / year	🟥 About 2% of value / year
Vehicle, boat & RV property tax	🟥 Annual tax applies	🟩 None
529 plans eligible for deduction	🟩 Any state's plan	🟥 Illinois plans only
529 deduction limit	🟥 $8K single / $16K joint	🟩 $10K single / $20K joint
Charitable state tax credits	🟩 Up to 70% (Youth Program)	🟥 25% (Illinois Gives)

Married in Illinois? The $4 million estate exclusion doesn't transfer to a surviving spouse. How assets are titled matters.

Weighing a move across the river? →
Talk with a CFP® Professional about your numbers in both states.

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State and local taxes only; federal taxes apply separately. Figures are general and rounded; property taxes vary by location, and credits and deductions have eligibility rules and limits. For educational purposes only, not tax, legal or personalized financial advice. Full details and sources: tobermanbecker.com/missouri-vs-illinois-retirement-taxes-pdf.

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