

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing  
5 Section 15-175 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption.

8 (a) Except as provided in Sections 15-176 and 15-177,  
9 homestead property is entitled to an annual homestead exemption  
10 limited, except as described here with relation to cooperatives  
11 or life care facilities, to a reduction in the equalized  
12 assessed value of homestead property equal to the increase in  
13 equalized assessed value for the current assessment year above  
14 the equalized assessed value of the property for 1977, up to  
15 the maximum reduction set forth below. If however, the 1977  
16 equalized assessed value upon which taxes were paid is  
17 subsequently determined by local assessing officials, the  
18 Property Tax Appeal Board, or a court to have been excessive,  
19 the equalized assessed value which should have been placed on  
20 the property for 1977 shall be used to determine the amount of  
21 the exemption.

22 (b) Except as provided in Section 15-176, the maximum  
23 reduction before taxable year 2004 shall be \$4,500 in counties

1 with 3,000,000 or more inhabitants and \$3,500 in all other  
2 counties. Except as provided in Sections 15-176 and 15-177, for  
3 taxable years 2004 through 2007, the maximum reduction shall be  
4 \$5,000, for taxable year 2008, the maximum reduction is \$5,500,  
5 and, for taxable years 2009 through 2011, the maximum reduction  
6 is \$6,000 in all counties. For taxable years 2012 through 2016,  
7 the maximum reduction is \$7,000 in counties with 3,000,000 or  
8 more inhabitants and \$6,000 in all other counties. For taxable  
9 years 2017 and thereafter, the maximum reduction is \$10,000 in  
10 counties with 3,000,000 or more inhabitants and \$6,000 in all  
11 other counties. If a county has elected to subject itself to  
12 the provisions of Section 15-176 as provided in subsection (k)  
13 of that Section, then, for the first taxable year only after  
14 the provisions of Section 15-176 no longer apply, for owners  
15 who, for the taxable year, have not been granted a senior  
16 citizens assessment freeze homestead exemption under Section  
17 15-172 or a long-time occupant homestead exemption under  
18 Section 15-177, there shall be an additional exemption of  
19 \$5,000 for owners with a household income of \$30,000 or less.

20 (c) In counties with fewer than 3,000,000 inhabitants, if,  
21 based on the most recent assessment, the equalized assessed  
22 value of the homestead property for the current assessment year  
23 is greater than the equalized assessed value of the property  
24 for 1977, the owner of the property shall automatically receive  
25 the exemption granted under this Section in an amount equal to  
26 the increase over the 1977 assessment up to the maximum

1 reduction set forth in this Section.

2 (d) If in any assessment year beginning with the 2000  
3 assessment year, homestead property has a pro-rata valuation  
4 under Section 9-180 resulting in an increase in the assessed  
5 valuation, a reduction in equalized assessed valuation equal to  
6 the increase in equalized assessed value of the property for  
7 the year of the pro-rata valuation above the equalized assessed  
8 value of the property for 1977 shall be applied to the property  
9 on a proportionate basis for the period the property qualified  
10 as homestead property during the assessment year. The maximum  
11 proportionate homestead exemption shall not exceed the maximum  
12 homestead exemption allowed in the county under this Section  
13 divided by 365 and multiplied by the number of days the  
14 property qualified as homestead property.

15 (d-1) In counties with 3,000,000 or more inhabitants, where  
16 the chief county assessment officer provides a notice of  
17 discovery, if a property is not occupied by its owner as a  
18 principal residence as of January 1 of the current tax year,  
19 then the property owner shall notify the chief county  
20 assessment officer of that fact on a form prescribed by the  
21 chief county assessment officer. That notice must be received  
22 by the chief county assessment officer on or before March 1 of  
23 the collection year. If mailed, the form shall be sent by  
24 certified mail, return receipt requested. If the form is  
25 provided in person, the chief county assessment officer shall  
26 provide a date stamped copy of the notice. Failure to provide

1 timely notice pursuant to this subsection (d-1) shall result in  
2 the exemption being treated as an erroneous exemption. Upon  
3 timely receipt of the notice for the current tax year, no  
4 exemption shall be applied to the property for the current tax  
5 year. If the exemption is not removed upon timely receipt of  
6 the notice by the chief assessment officer, then the error is  
7 considered granted as a result of a clerical error or omission  
8 on the part of the chief county assessment officer as described  
9 in subsection (h) of Section 9-275, and the property owner  
10 shall not be liable for the payment of interest and penalties  
11 due to the erroneous exemption for the current tax year for  
12 which the notice was filed after the date that notice was  
13 timely received pursuant to this subsection. Notice provided  
14 under this subsection shall not constitute a defense or amnesty  
15 for prior year erroneous exemptions.

16 For the purposes of this subsection (d-1):

17 "Collection year" means the year in which the first and  
18 second installment of the current tax year is billed.

19 "Current tax year" means the year prior to the collection  
20 year.

21 (e) The chief county assessment officer may, when  
22 considering whether to grant a leasehold exemption under this  
23 Section, require the following conditions to be met:

24 (1) that a notarized application for the exemption,  
25 signed by both the owner and the lessee of the property,  
26 must be submitted each year during the application period

1 in effect for the county in which the property is located;

2 (2) that a copy of the lease must be filed with the  
3 chief county assessment officer by the owner of the  
4 property at the time the notarized application is  
5 submitted;

6 (3) that the lease must expressly state that the lessee  
7 is liable for the payment of property taxes; and

8 (4) that the lease must include the following language  
9 in substantially the following form:

10 "Lessee shall be liable for the payment of real  
11 estate taxes with respect to the residence in  
12 accordance with the terms and conditions of Section  
13 15-175 of the Property Tax Code (35 ILCS 200/15-175).  
14 The permanent real estate index number for the premises  
15 is (insert number), and, according to the most recent  
16 property tax bill, the current amount of real estate  
17 taxes associated with the premises is (insert amount)  
18 per year. The parties agree that the monthly rent set  
19 forth above shall be increased or decreased pro rata  
20 (effective January 1 of each calendar year) to reflect  
21 any increase or decrease in real estate taxes. Lessee  
22 shall be deemed to be satisfying Lessee's liability for  
23 the above mentioned real estate taxes with the monthly  
24 rent payments as set forth above (or increased or  
25 decreased as set forth herein).".

26 In addition, if there is a change in lessee, or if the

1 lessee vacates the property, then the chief county assessment  
2 officer may require the owner of the property to notify the  
3 chief county assessment officer of that change.

4 This subsection (e) does not apply to leasehold interests  
5 in property owned by a municipality.

6 (f) "Homestead property" under this Section includes  
7 residential property that is occupied by its owner or owners as  
8 his or their principal dwelling place, or that is a leasehold  
9 interest on which a single family residence is situated, which  
10 is occupied as a residence by a person who has an ownership  
11 interest therein, legal or equitable or as a lessee, and on  
12 which the person is liable for the payment of property taxes.  
13 For land improved with an apartment building owned and operated  
14 as a cooperative ~~or a building which is a life care facility as~~  
15 ~~defined in Section 15-170 and considered to be a cooperative~~  
16 ~~under Section 15-170~~, the maximum reduction from the equalized  
17 assessed value shall be limited to the increase in the value  
18 above the equalized assessed value of the property for 1977, up  
19 to the maximum reduction set forth above, multiplied by the  
20 number of apartments or units occupied by a person or persons  
21 who is liable, by contract with the owner or owners of record,  
22 for paying property taxes on the property and is an owner of  
23 record of a legal or equitable interest in the cooperative  
24 apartment building, other than a leasehold interest. For land  
25 improved with a life care facility, the maximum reduction from  
26 the value of the property, as equalized by the Department,

1 shall be multiplied by the number of apartments or units  
2 occupied by a person or persons, irrespective of any legal,  
3 equitable, or leasehold interest in the facility, who are  
4 liable, under a life care contract with the owner or owners of  
5 record of the facility, for paying property taxes on the  
6 property. For purposes of this Section, the term "life care  
7 facility" has the meaning stated in Section 15-170.

8 "Household", as used in this Section, means the owner, the  
9 spouse of the owner, and all persons using the residence of the  
10 owner as their principal place of residence.

11 "Household income", as used in this Section, means the  
12 combined income of the members of a household for the calendar  
13 year preceding the taxable year.

14 "Income", as used in this Section, has the same meaning as  
15 provided in Section 3.07 of the Senior Citizens and Persons  
16 with Disabilities Property Tax Relief Act, except that "income"  
17 does not include veteran's benefits.

18 (g) In a cooperative or life care facility where a  
19 homestead exemption has been granted, the cooperative  
20 association or the ~~its~~ management of the cooperative or life  
21 care facility ~~firm~~ shall credit the savings resulting from that  
22 exemption only to the apportioned tax liability of the owner or  
23 resident who qualified for the exemption. Any person who  
24 willfully refuses to so credit the savings shall be guilty of a  
25 Class B misdemeanor.

26 (h) Where married persons maintain and reside in separate

1 residences qualifying as homestead property, each residence  
2 shall receive 50% of the total reduction in equalized assessed  
3 valuation provided by this Section.

4 (i) In all counties, the assessor or chief county  
5 assessment officer may determine the eligibility of  
6 residential property to receive the homestead exemption and the  
7 amount of the exemption by application, visual inspection,  
8 questionnaire or other reasonable methods. The determination  
9 shall be made in accordance with guidelines established by the  
10 Department, provided that the taxpayer applying for an  
11 additional general exemption under this Section shall submit to  
12 the chief county assessment officer an application with an  
13 affidavit of the applicant's total household income, age,  
14 marital status (and, if married, the name and address of the  
15 applicant's spouse, if known), and principal dwelling place of  
16 members of the household on January 1 of the taxable year. The  
17 Department shall issue guidelines establishing a method for  
18 verifying the accuracy of the affidavits filed by applicants  
19 under this paragraph. The applications shall be clearly marked  
20 as applications for the Additional General Homestead  
21 Exemption.

22 (i-5) This subsection (i-5) applies to counties with  
23 3,000,000 or more inhabitants. In the event of a sale of  
24 homestead property, the homestead exemption shall remain in  
25 effect for the remainder of the assessment year of the sale.  
26 Upon receipt of a transfer declaration transmitted by the



1 recorder pursuant to Section 31-30 of the Real Estate Transfer  
2 Tax Law for property receiving an exemption under this Section,  
3 the assessor shall mail a notice and forms to the new owner of  
4 the property providing information pertaining to the rules and  
5 applicable filing periods for applying or reapplying for  
6 homestead exemptions under this Code for which the property may  
7 be eligible. If the new owner fails to apply or reapply for a  
8 homestead exemption during the applicable filing period or the  
9 property no longer qualifies for an existing homestead  
10 exemption, the assessor shall cancel such exemption for any  
11 ensuing assessment year.

12 (j) In counties with fewer than 3,000,000 inhabitants, in  
13 the event of a sale of homestead property the homestead  
14 exemption shall remain in effect for the remainder of the  
15 assessment year of the sale. The assessor or chief county  
16 assessment officer may require the new owner of the property to  
17 apply for the homestead exemption for the following assessment  
18 year.

19 (k) Notwithstanding Sections 6 and 8 of the State Mandates  
20 Act, no reimbursement by the State is required for the  
21 implementation of any mandate created by this Section.

22 (l) The changes made to this Section by this amendatory Act  
23 of the 100th General Assembly are effective for the 2018 tax  
24 year and thereafter.

25 (Source: P.A. 99-143, eff. 7-27-15; 99-164, eff. 7-28-15;  
26 99-642, eff. 7-28-16; 99-851, eff. 8-19-16; 100-401, eff.

1 8-25-17.)