



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB4289

Introduced 1/28/2020, by Rep. Steven Reick

SYNOPSIS AS INTRODUCED:

35 ILCS 5/208

from Ch. 120, par. 2-208

Amends the Illinois Income Tax Act. Provides that, if the amount of the credit for residential real property taxes exceeds the taxpayer's liability, that amount shall be refunded if the taxpayer is 65 years or older and has a federal adjusted gross income of not more than \$50,000. Provides that the credit is exempt from the Act's automatic sunset provision. Effective immediately.

LRB101 16855 HLH 66254 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 Illinois Income Tax Act is amended by
5 changing Section 208 as follows:

6 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

7 (Text of Section before amendment by P.A. 101-8)

8 Sec. 208. Tax credit for residential real property taxes.
9 Beginning with tax years ending on or after December 31, 1991,
10 every individual taxpayer shall be entitled to a tax credit
11 equal to 5% of real property taxes paid by such taxpayer during
12 the taxable year on the principal residence of the taxpayer. In
13 the case of multi-unit or multi-use structures and farm
14 dwellings, the taxes on the taxpayer's principal residence
15 shall be that portion of the total taxes which is attributable
16 to such principal residence. Notwithstanding any other
17 provision of law, for taxable years beginning on or after
18 January 1, 2017, no taxpayer may claim a credit under this
19 Section if the taxpayer's adjusted gross income for the taxable
20 year exceeds (i) \$500,000, in the case of spouses filing a
21 joint federal tax return, or (ii) \$250,000, in the case of all
22 other taxpayers. This Section is exempt from the provisions of
23 Section 250.

1 For taxable years beginning on or after January 1, 2020, if
2 the amount of the credit exceeds the taxpayer's income tax
3 liability for the applicable tax year, then the excess credit
4 shall be refunded to the taxpayer if (i) the taxpayer is 65
5 years old or older and (ii) has a federal adjusted gross income
6 not greater than \$50,000. The amount of a refund shall not be
7 included in the taxpayer's income or resources for the purposes
8 of determining eligibility or benefit level in any means-tested
9 benefit program administered by a governmental entity unless
10 required by federal law.

11 (Source: P.A. 100-22, eff. 7-6-17.)

12 (Text of Section after amendment by P.A. 101-8)

13 Sec. 208. Tax credit for residential real property taxes.
14 For tax years ending on or after December 31, 1991 ~~and ending~~
15 ~~prior to December 31, 2021~~, every individual taxpayer shall be
16 entitled to a tax credit equal to 5% of real property taxes
17 paid by such taxpayer during the taxable year on the principal
18 residence of the taxpayer. For tax years ending on or after
19 December 31, 2021, every individual taxpayer shall be entitled
20 to a tax credit equal to 6% of real property taxes paid by such
21 taxpayer during the taxable year on the principal residence of
22 the taxpayer. In the case of multi-unit or multi-use structures
23 and farm dwellings, the taxes on the taxpayer's principal
24 residence shall be that portion of the total taxes which is
25 attributable to such principal residence. Notwithstanding any

1 other provision of law, for taxable years beginning on or after
2 January 1, 2017, no taxpayer may claim a credit under this
3 Section if the taxpayer's adjusted gross income for the taxable
4 year exceeds (i) \$500,000, in the case of spouses filing a
5 joint federal tax return, or (ii) \$250,000, in the case of all
6 other taxpayers. This Section is exempt from the provisions of
7 Section 250.

8 For taxable years beginning on or after January 1, 2020, if
9 the amount of the credit exceeds the taxpayer's income tax
10 liability for the applicable tax year, then the excess credit
11 shall be refunded to the taxpayer if (i) the taxpayer is 65
12 years old or older and (ii) has a federal adjusted gross income
13 not greater than \$50,000. The amount of a refund shall not be
14 included in the taxpayer's income or resources for the purposes
15 of determining eligibility or benefit level in any means-tested
16 benefit program administered by a governmental entity unless
17 required by federal law.

18 (Source: P.A. 100-22, eff. 7-6-17; 101-8, see Section 99 for
19 effective date.)

20 Section 95. No acceleration or delay. Where this Act makes
21 changes in a statute that is represented in this Act by text
22 that is not yet or no longer in effect (for example, a Section
23 represented by multiple versions), the use of that text does
24 not accelerate or delay the taking effect of (i) the changes
25 made by this Act or (ii) provisions derived from any other

1 Public Act.

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.