



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5430

by Rep. Grant Wehrli - Deanne M. Mazzochi - Amy Grant, Lindsay Parkhurst and Tom Weber

SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Creates a credit for individual taxpayers whose income does not exceed the maximum income limitation and who are (i) 65 years of age or older during the taxable year or (ii) 100% disabled during the taxable year. Provides that the amount of the credit shall be based upon the amount by which the total residential property taxes paid by the taxpayer during the taxable year exceeds a stated percent of income. Effective immediately.

LRB101 18949 HLH 68408 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 adding
5 Section 232 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. Supplemental property tax credit.

8 (a) In addition to any other credit allowed under this Act,
9 for taxable years ending on or after December 31, 2021, an
10 individual taxpayer whose income does not exceed the maximum
11 income limitation and who is (i) 65 years of age or older
12 during the taxable year or (ii) 100% disabled during the
13 taxable year is entitled to a credit against the taxes imposed
14 by subsections (a) and (b) of Section 201 as provided in this
15 Section.

16 (b) The amount of the credit shall be determined from a
17 table of credits to be prepared by the Department based upon
18 the amount by which the total residential property taxes paid
19 by the taxpayer during the taxable year exceeds the percent of
20 income in the following list:

21 (1) if the taxpayer's adjusted gross income is not more
22 than the base amount, then the percent is zero percent; and

23 (2) if the taxpayer's adjusted gross income is more

1 than the base amount, then the percent is 1/16%
2 accumulative per \$300 from 0% to 4%.

3 Each credit calculated under this subsection (b) shall be
4 rounded to the nearest whole dollar. In no event may the credit
5 exceed \$750 in rent constituting property taxes actually paid
6 or \$1,100 in actual property tax paid. If a claimant occupies 2
7 or more different homesteads in the same calendar year, and one
8 homestead is calculated by rent constituting property taxes and
9 the other homestead is calculated by actual property taxes
10 paid, then the maximum credit shall be: (i) \$750 multiplied by
11 a fraction the numerator of which is the number of days during
12 the taxable year in which the claimant occupied a homestead
13 calculated by rent constituting property taxes and the
14 denominator of which is 365; plus (ii) \$1,100 multiplied by a
15 fraction the numerator of which is the number of days during
16 the taxable year in which the claimant occupied a homestead
17 calculated by actual property taxes paid and the denominator of
18 which is 365.

19 (c) As used in this Section:

20 "Accumulative" means an increase by continuous or repeated
21 application of the percent to the income increment at each \$300
22 level.

23 "Base amount" means \$14,300.

24 "Gross rent" means the amount paid by a claimant to a
25 landlord for the rental, at arm's length, of a homestead during
26 the calendar year, exclusive of charges for health and personal

1 care services and food furnished as part of the rental
2 agreement, whether or not expressly set out in the rental
3 agreement. If the Department determines that the landlord and
4 tenant have not dealt at arm's length, and that the gross rent
5 is excessive, then he shall determine the gross rent based upon
6 a reasonable amount of rent. Gross rent shall be deemed to be
7 paid only if actually paid prior to the date a return is filed.
8 The Department may adopt rules requiring a return of
9 information by a landlord receiving rent, certifying for a
10 calendar year the amount of gross rent received from a tenant
11 claiming a property tax credit and shall, by rule, provide a
12 method for certification by the claimant of the amount of gross
13 rent paid for any calendar year for which a claim is made. The
14 Department may require a landlord or a tenant or both to
15 provide data relating to health and personal care services and
16 to food. Neither a landlord nor a tenant may be required to
17 provide data relating to utilities, furniture, home
18 furnishings or appliances.

19 "Maximum income limitation" means \$30,000.

20 "Rent constituting property taxes accrued" means 20% of the
21 gross rent paid by a claimant and spouse in the calendar year.

22 "Total residential property taxes" means property taxes
23 paid, exclusive of special assessments, penalties, interest,
24 and charges for service levied on a claimant's homestead in any
25 calendar year. Property taxes shall qualify for the credit only
26 if actually paid prior to the date a return is filed. The

1 Department shall require a tax receipt or other proof of
2 property tax payment. If a homestead is owned only partially by
3 claimant, then "property taxes accrued" is that part of
4 property taxes levied on the homestead which was actually paid
5 by the claimant. If a claimant owns and occupies 2 or more
6 different homesteads in the same calendar year, property taxes
7 accrued shall be the sum of taxes paid by the claimant and
8 allocable to those several properties occupied by the claimant
9 as a homestead for the year.

10 (d) In no event shall a credit under this Section reduce a
11 taxpayer's liability to less than zero. If the amount of credit
12 exceeds the tax liability for the year, the excess may be
13 carried forward and applied to the tax liability for the 5
14 taxable years following the excess credit year. The tax credit
15 shall be applied to the earliest year for which there is a tax
16 liability. If there are credits for more than one year that are
17 available to offset liability, the earlier credit shall be
18 applied first.

19 (e) This Section is exempt from Section 250.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.