



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3181

Introduced 2/19/2021, by Rep. Theresa Mah

SYNOPSIS AS INTRODUCED:

35 ILCS 200/10-260

Amends the Property Tax Code. Provides that, in determining the fair cash value of a low-income housing project (Section 42 properties), the assessment officer must consider the actual or projected net operating income attributable to the property, capitalized at rates for similarly encumbered Section 42 properties. Provides that the owner or owners of the low-income housing project must certify to the appropriate local assessment officer that the owner or owners qualify for the low-income housing tax credit under Section 42 of the Internal Revenue Code for the property.

LRB102 11488 HLH 16822 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 Property Tax Code is amended by changing
5 Section 10-260 as follows:

6 (35 ILCS 200/10-260)

7 Sec. 10-260. Low-income housing. In determining the fair
8 cash value of property receiving benefits from the Low-Income
9 Housing Tax Credit authorized by Section 42 of the Internal
10 Revenue Code, 26 U.S.C. 42, emphasis shall be given to the
11 income approach, ~~except in those circumstances where another~~
12 ~~method is clearly more appropriate.~~

13 In counties with more than 3,000,000 inhabitants, to
14 determine the fair cash value of any low-income housing
15 project that qualifies for the Low-Income Housing Tax Credit
16 under Section 42 of the Internal Revenue Code, in assessing
17 the project, the assessment officer must consider the actual
18 or projected net operating income attributable to the
19 property, capitalized at rates for similarly encumbered
20 Section 42 properties. The interest rate to be used in
21 developing the capitalization rate shall be one that reflects
22 the prevailing cost of capital for other types of similarly
23 encumbered Section 42 properties in the geographic market in

1 which the low-income housing project is located.

2 Beginning with the taxable year 2022, all low-income
3 housing projects that qualify for the low-income housing tax
4 credit under Section 42 of the Internal Revenue Code shall be
5 assessed in accordance with this Section if the owner or
6 owners of the low-income housing project certify to the
7 appropriate local assessment officer that the owner or owners
8 qualify for the low-income housing tax credit under Section 42
9 of the Internal Revenue Code for the property.

10 (Source: P.A. 91-502, eff. 8-13-99; 92-16, eff. 6-28-01.)