

HB1411



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1411

Introduced 1/31/2023, by Rep. Martin McLaughlin

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Provides that, for taxable years 2024 and thereafter, the maximum reduction is \$10,000 in all counties. Effective immediately.

LRB103 25602 HLH 51951 b

A BILL FOR

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
10 exemption limited, except as described here with relation to
11 cooperatives or life care facilities, to a reduction in the
12 equalized assessed value of homestead property equal to the
13 increase in equalized assessed value for the current
14 assessment year above the equalized assessed value of the
15 property for 1977, up to the maximum reduction set forth
16 below. If however, the 1977 equalized assessed value upon
17 which taxes were paid is subsequently determined by local
18 assessing officials, the Property Tax Appeal Board, or a court
19 to have been excessive, the equalized assessed value which
20 should have been placed on the property for 1977 shall be used
21 to determine the amount of 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,
3 for taxable years 2004 through 2007, the maximum reduction
4 shall be \$5,000, for taxable year 2008, the maximum reduction
5 is \$5,500, and, for taxable years 2009 through 2011, the
6 maximum reduction is \$6,000 in all counties. For taxable years
7 2012 through 2016, the maximum reduction is \$7,000 in counties
8 with 3,000,000 or more inhabitants and \$6,000 in all other
9 counties. For taxable years 2017 through 2022, the maximum
10 reduction is \$10,000 in counties with 3,000,000 or more
11 inhabitants and \$6,000 in all other counties. For taxable year
12 ~~years 2023 and thereafter~~, the maximum reduction is \$10,000 in
13 counties with 3,000,000 or more inhabitants, \$8,000 in
14 counties that are contiguous to a county of 3,000,000 or more
15 inhabitants, and \$6,000 in all other counties. For taxable
16 years 2024 and thereafter, the maximum reduction is \$10,000 in
17 all counties. If a county has elected to subject itself to the
18 provisions of Section 15-176 as provided in subsection (k) of
19 that Section, then, for the first taxable year only after the
20 provisions of Section 15-176 no longer apply, for owners who,
21 for the taxable year, have not been granted a senior citizens
22 assessment freeze homestead exemption under Section 15-172 or
23 a long-time occupant homestead exemption under Section 15-177,
24 there shall be an additional exemption of \$5,000 for owners
25 with a household income of \$30,000 or less.

26 (c) In counties with fewer than 3,000,000 inhabitants, if,

1 based on the most recent assessment, the equalized assessed
2 value of the homestead property for the current assessment
3 year is greater than the equalized assessed value of the
4 property for 1977, the owner of the property shall
5 automatically receive the exemption granted under this Section
6 in an amount equal to the increase over the 1977 assessment up
7 to the maximum reduction set forth in this Section.

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

21 (d-1) In counties with 3,000,000 or more inhabitants,
22 where the chief county assessment officer provides a notice of
23 discovery, if a property is not occupied by its owner as a
24 principal residence as of January 1 of the current tax year,
25 then the property owner shall notify the chief county
26 assessment officer of that fact on a form prescribed by the

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

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

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

25 "Current tax year" means the year prior to the collection
26 year.

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

4 (1) that a notarized application for the exemption,
5 signed by both the owner and the lessee of the property,
6 must be submitted each year during the application period
7 in effect for the county in which the property is located;

8 (2) that a copy of the lease must be filed with the
9 chief county assessment officer by the owner of the
10 property at the time the notarized application is
11 submitted;

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

14 (4) that the lease must include the following language
15 in substantially the following form:

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

1 calendar year) to reflect any increase or decrease in
2 real estate taxes. Lessee shall be deemed to be
3 satisfying Lessee's liability for the above mentioned
4 real estate taxes with the monthly rent payments as
5 set forth above (or increased or decreased as set
6 forth herein).".

7 In addition, if there is a change in lessee, or if the
8 lessee vacates the property, then the chief county assessment
9 officer may require the owner of the property to notify the
10 chief county assessment officer of that change.

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

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

1 the owner or owners of record, for paying property taxes on the
2 property and is an owner of record of a legal or equitable
3 interest in the cooperative apartment building, other than a
4 leasehold interest. For land improved with a life care
5 facility, the maximum reduction from the value of the
6 property, as equalized by the Department, shall be multiplied
7 by the number of apartments or units occupied by a person or
8 persons, irrespective of any legal, equitable, or leasehold
9 interest in the facility, who are liable, under a life care
10 contract with the owner or owners of record of the facility,
11 for paying property taxes on the property. For purposes of
12 this Section, the term "life care facility" has the meaning
13 stated in Section 15-170.

14 "Household", as used in this Section, means the owner, the
15 spouse of the owner, and all persons using the residence of the
16 owner as their principal place of residence.

17 "Household income", as used in this Section, means the
18 combined income of the members of a household for the calendar
19 year preceding the taxable year.

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

24 (g) In a cooperative or life care facility where a
25 homestead exemption has been granted, the cooperative
26 association or the management of the cooperative or life care

1 facility shall credit the savings resulting from that
2 exemption only to the apportioned tax liability of the owner
3 or resident who qualified for the exemption. Any person who
4 willfully refuses to so credit the savings shall be guilty of a
5 Class B misdemeanor.

6 (h) Where married persons maintain and reside in separate
7 residences qualifying as homestead property, each residence
8 shall receive 50% of the total reduction in equalized assessed
9 valuation provided by this Section.

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

1 Exemption.

2 (i-5) This subsection (i-5) applies to counties with
3 3,000,000 or more inhabitants. In the event of a sale of
4 homestead property, the homestead exemption shall remain in
5 effect for the remainder of the assessment year of the sale.
6 Upon receipt of a transfer declaration transmitted by the
7 recorder pursuant to Section 31-30 of the Real Estate Transfer
8 Tax Law for property receiving an exemption under this
9 Section, the assessor shall mail a notice and forms to the new
10 owner of the property providing information pertaining to the
11 rules and applicable filing periods for applying or reapplying
12 for homestead exemptions under this Code for which the
13 property may be eligible. If the new owner fails to apply or
14 reapply for a homestead exemption during the applicable filing
15 period or the property no longer qualifies for an existing
16 homestead exemption, the assessor shall cancel such exemption
17 for any ensuing assessment year.

18 (j) In counties with fewer than 3,000,000 inhabitants, in
19 the event of a sale of homestead property the homestead
20 exemption shall remain in effect for the remainder of the
21 assessment year of the sale. The assessor or chief county
22 assessment officer may require the new owner of the property
23 to apply for the homestead exemption for the following
24 assessment year.

25 (k) Notwithstanding Sections 6 and 8 of the State Mandates
26 Act, no reimbursement by the State is required for the

1 implementation of any mandate created by this Section.

2 (1) The changes made to this Section by this amendatory
3 Act of the 100th General Assembly are effective for the 2018
4 tax year and thereafter.

5 (Source: P.A. 102-895, eff. 5-23-22.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.