



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3824

by Rep. John E. Bradley

SYNOPSIS AS INTRODUCED:

New Act

35 ILCS 5/208

from Ch. 120, par. 2-208

30 ILCS 105/5.866 new

30 ILCS 105/6z-101 new

Creates the Property Tax Refund Act. Provides that the Department shall issue a property tax refund of \$500 each year for each parcel of qualified property for which an eligible homeowner paid property taxes. Contains provisions concerning applications. Provides that the Department may request certain information from each county assessor or supervisor of assessments. Provides that, if a county fails to submit the required information, the Department shall not certify to the State Comptroller the amount of the Local Government Distributive Fund allocated to that county until that information is submitted. Provides for implementation without reimbursement by the State. Amends the Illinois Income Tax Act to provide that the tax credit for residential real property taxes applies only for taxable years ending prior to December 31, 2015. Effective immediately.

LRB099 11131 HLH 31597 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 1. Short title. This Act may be cited as the
5 Property Tax Refund Act.

6 Section 5. Definitions. As used in this Act:

7 "Department" means the Department of Revenue.

8 "Eligible homeowner" means an individual who was liable for
9 property taxes that were paid on qualified property that is
10 located in Illinois and is used as his or her principal place
11 of residence and in which he or she had an ownership interest
12 as of January 1 of the year in which the property taxes were
13 paid.

14 "Qualified property" means property for which the
15 homeowner would have been allowed a credit under Section 208 of
16 the Illinois Income Tax Act, as that Section existed on January
17 1, 2015.

18 Section 10. Property tax refunds.

19 (a) Beginning in 2015, the Department shall issue a
20 property tax refund each year for each qualified property for
21 which an eligible homeowner who was liable for property taxes
22 that were paid with respect to qualified property in the

1 immediately preceding calendar year has filed a timely
2 application for the property tax refund. The Department shall
3 certify both (i) the names of the eligible homeowners who will
4 receive the refund and (ii) the refund amounts for each
5 eligible homeowner to the Comptroller as soon as possible after
6 July 1 of each year.

7 (b) The refund shall equal \$500 for each qualified
8 property. In the case of a married couple, only one \$500 refund
9 shall be allowed and shall be paid to the spouses jointly if
10 requested on the application. If there is more than one
11 eligible homeowner for a qualified property, or if a married
12 couple applies for separate refunds, the refund for that
13 qualified property or for those spouses shall be divided among
14 the applicants as agreed to by the applicants. In the absence
15 of an agreement, the refund shall be divided equally among the
16 applicants who have filed a timely application for the refund.
17 If the Department issues a refund in response to an otherwise
18 valid application that does not list all eligible homeowners
19 entitled to share in the refund or that does not accurately
20 reflect any agreement among the eligible homeowners, it shall
21 not issue any additional refund with respect to that property,
22 and an eligible homeowner who did not receive the share of the
23 refund to which he or she is entitled under this Act shall have
24 recourse only against the eligible homeowners who received the
25 refund.

26 (c) Application for the refund shall be made in the form

1 and manner prescribed by the Department and shall contain all
2 information reasonably required by the Department for purposes
3 of administering the refund. For refunds for property taxes
4 paid in 2014, an Illinois income tax return claiming a credit
5 under Section 208 of the Illinois Income Tax Act for a tax year
6 ending in 2014 shall be treated as an application for the
7 refund. For refunds for property taxes paid in 2015 or in any
8 subsequent year, the Department may allow or require the
9 application to be made on an Illinois income tax return for the
10 applicant's taxable year ending during the year in which the
11 property taxes were paid, or it may require a separate
12 application, or both. The Department may require applications
13 to be filed electronically, except in the case of an individual
14 who has no ready access to a means of electronic filing or in
15 the case where the application is made on an income tax return
16 that is not required to be filed electronically. No refund
17 shall be allowed to an eligible homeowner for a year unless an
18 application has been filed with the Department no later than
19 June 30 of the second calendar year following the year in which
20 the property taxes were paid, and, in the case of timely-filed
21 application that is incomplete or otherwise defective, any
22 defect has been corrected no later than 30 days after the
23 Department has issued a notice that the application is
24 incomplete or defective or June 30 of that second following
25 year, whichever is later.

26 (d) In lieu of a refund paid under subsection (a) of

1 Section 10 of this Act, the Department may credit the amount of
2 the refund against (i) any final tax liability of the applicant
3 arising under any Act administered by the Department,
4 regardless of whether other collection remedies are closed to
5 the Department, or (ii) any liability of the applicant against
6 which the Department may offset an overpayment of Illinois
7 income tax of the applicant, and pay only the remaining balance
8 to the applicant.

9 (e) If a refund is determined by the Department to have
10 been issued in error, as soon as possible after the
11 determination is made, the Department shall issue a demand for
12 repayment of the erroneous refund, plus a penalty of 20% of the
13 erroneous refund, provided that no penalty shall be imposed if
14 the refund was issued as a result of an error of the Department
15 that was not caused by the recipient of the refund or if the
16 recipient had reasonable cause for any error made in applying
17 for the refund. If repayment is not made within 60 days of the
18 date of issuance of the demand, the Department shall enforce
19 repayment of the refund using all legal authority available to
20 the Department of Revenue to collect debt.

21 Section 15. Information from counties.

22 (a) Beginning in 2015, the Department may require each
23 county assessor or supervisor of assessments to provide to the
24 Department, upon request, each year the following information
25 relating to the property tax bills issued in the preceding year

1 by parcel number:

2 (1) county code;

3 (2) township name or code;

4 (3) property index number;

5 (4) name of the owner;

6 (5) the mailing address of the owner;

7 (6) the address of the parcel;

8 (7) all homestead exemptions applicable to the parcel;

9 (8) property use or type with description;

10 (9) assessed value (before equalization factor);

11 (10) equalized assessed value;

12 (11) tax bill amount; and

13 (12) such other information as the Department shall
14 require.

15 (b) The information required by the Department under
16 subsection (a) for property tax bills issued in 2014 shall be
17 submitted no later than 30 days after written request by the
18 Department, and for property tax bills issued in 2015 and
19 subsequent years, shall be submitted no later than May 15 of
20 the following year. The Department may grant requests for
21 extensions of time to submit the information. The information
22 shall be submitted in a computer readable format as directed by
23 the Department. If any county fails to submit the required
24 information by the due date under this subsection, the
25 Department shall not certify to the State Comptroller the
26 amount of the Local Government Distributive Fund allocated to

1 that county under subsection (a) of Section 2 of the State
2 Revenue Sharing Act during any month beginning after that due
3 date until the information is submitted, and then, in the first
4 month beginning after the information is submitted, shall
5 certify to the State Comptroller for payment to that county the
6 amount allocated in that month plus the amounts that were
7 allocated to that county in prior months, but not certified to
8 the State Comptroller as a result of this subsection.

9 (c) Notwithstanding Sections 6 and 8 of the State Mandates
10 Act, no reimbursement by the State is required for the
11 implementation of any mandate created by this Section.

12 Section 20. False statements in applications. Any person
13 who files an application for a refund under this Act that
14 contains a materially false statement, or who willfully
15 attempts in any other manner to receive a refund which that
16 person knows he or she is not entitled to receive under this
17 Act, shall be guilty of a Class 4 felony for the first offense
18 and a Class 3 felony for each subsequent offense. A prosecution
19 for any act in violation of this Section may be commenced at
20 any time within 5 years of the commission of that act.

21 Section 25. Rulemaking. The Department is authorized to
22 make, promulgate and enforce such reasonable rules, and to
23 prescribe such forms, relating to the administration and
24 enforcement of the provisions of this Act, as it may deem

1 appropriate.

2 The circuit court of the county in which the qualified
3 property is located has the power to review all final
4 administrative decisions of the Department in administering
5 this Act. The provisions of the Administrative Review Law, and
6 all amendments and modifications thereof, and the rules adopted
7 pursuant thereto, shall apply to and govern all proceedings for
8 the judicial review of final administrative decisions of the
9 Department under this Act. The term "administrative decision"
10 is defined as in Section 3-101 of the Code of Civil Procedure.

11 Section 80. The Illinois Income Tax Act is amended by
12 changing Section 208 as follows:

13 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

14 Sec. 208. Tax credit for residential real property taxes.
15 ~~For Beginning with~~ tax years ending on or after December 31,
16 1991, and prior to December 31, 2015, every individual taxpayer
17 shall be entitled to a tax credit equal to 5% of real property
18 taxes paid by such taxpayer during the taxable year on the
19 principal residence of the taxpayer. In the case of multi-unit
20 or multi-use structures and farm dwellings, the taxes on the
21 taxpayer's principal residence shall be that portion of the
22 total taxes which is attributable to such principal residence.

23 (Source: P.A. 87-17.)

1 Section 85. The State Finance Act is amended by adding
2 Sections 5.866 and 6z-101 as follows:

3 (30 ILCS 105/5.866 new)

4 Sec. 5.866. The Property Tax Refund Fund.

5 (30 ILCS 105/6z-101 new)

6 Sec. 6z-101. The Property Tax Refund Fund; creation. The
7 Property Tax Refund Fund is created as a special fund in the
8 State treasury. Moneys in the Fund shall be used by the
9 Department of Revenue for the purpose of paying refunds under
10 the Property Tax Refund Act.

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.