

1 AN ACT concerning taxation.

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 and adding Section 208.5 as follows:

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

7 Sec. 208. Tax credit for residential real property taxes.

8 (a) Beginning with tax years ending on or after December
9 31, 1991, every individual taxpayer shall be entitled to a
10 tax credit equal to 5% of real property taxes paid by such
11 taxpayer during the taxable year on the principal residence
12 of the taxpayer.

13 (b) In addition to the tax credit provided under
14 subsection (a), for tax years ending on or after December 31,
15 2001, every individual taxpayer whose principal residence has
16 an equalized assessed value as determined by the Department
17 of less than \$166,667 shall be entitled to an additional tax
18 credit equal to 5% of the real property taxes paid by the
19 taxpayer during the taxable year on the principal residence
20 of the taxpayer. The changes made by this amendatory Act of
21 the 92nd General Assembly are exempt from the provisions of
22 Section 250.

23 (c) In the case of multi-unit or multi-use structures
24 and farm dwellings, the taxes on the taxpayer's principal
25 residence shall be that portion of the total taxes which is
26 attributable to such principal residence.

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

28 (35 ILCS 5/208.5 new)

29 Sec. 208.5. Tax credit for real property taxes paid by
30 Subchapter S corporations or sole proprietorships. For tax

1 years ending on or after December 31, 2001, every Subchapter
2 S corporation and sole proprietorship in this State shall be
3 entitled to a tax credit equal to 5% of the real property
4 taxes paid by the Subchapter S corporation or sole
5 proprietorship during the taxable year on eligible property
6 owned by the Subchapter S corporation or sole proprietorship.
7 For purposes of this Section, "eligible property" means
8 property with an equalized assessed value of less than (i)
9 \$399,000 in a county with 3,000,000 or more inhabitants or
10 (ii) \$166,667 in a county with fewer than 3,000,000
11 inhabitants. In no event shall a credit under this Section
12 reduce the liability under this Act of the Subchapter S
13 corporation or sole proprietorship to less than zero. This
14 Section is exempt from the provisions of Section 250.

15 Section 10. The Property Tax Code is amended by adding
16 Section 15-173 as follows:

17 (35 ILCS 200/15-173 new)

18 Sec. 15-173. Senior citizens property tax rebate.

19 (a) An individual taxpayer who is 65 years of age or
20 older and who paid residential real property taxes on the
21 taxpayer's principal residence is entitled to a rebate. The
22 rebate shall be in an amount equal to 10% of those taxes paid
23 in a taxable year minus the amount of any credit allowed
24 under Section 208 of the Illinois Income Tax Act for that
25 taxable year and minus any rebate paid under Section 208.1 of
26 the Illinois Income Tax Act for that taxable year. The
27 Department shall pay rebates for property taxes paid in 1999
28 and in 2001 and thereafter.

29 (b) For the rebate on property taxes paid in 1999 and
30 2001, on or before December 31, 2001, the Department shall
31 prepare and distribute an application form. The Department
32 shall begin accepting completed application forms for the

1 rebate on January 1, 2002. To be eligible for a rebate the
2 applicant must submit a completed application form postmarked
3 on or before March 1, 2002. On or before April 1, 2002, the
4 Department shall certify the names of the taxpayers eligible
5 for the rebate for property taxes paid in 1999 or 2001, or
6 both, whose application forms were postmarked on or before
7 March 1, 2002 and the rebate amounts to the Comptroller. The
8 Comptroller shall mail rebate warrants to those taxpayers by
9 May 1, 2002.

10 (c) For the rebate on property taxes paid in each year
11 after 2001, on or before December 31 of the year the property
12 taxes are paid, the Department shall prepare and distribute
13 an application form. The Department shall begin accepting
14 completed application forms for the rebate on January 1 of
15 the year after the property taxes are paid. To be eligible
16 for a rebate the applicant must submit a completed
17 application form postmarked on or before March 1 of the year
18 after the property taxes are paid. On or before April 1 of
19 the year after the property taxes are paid, the Department
20 shall certify the names of the taxpayers eligible for a
21 rebate whose application forms were postmarked on or before
22 March 1 of the year after the property taxes were paid and
23 the rebate amounts to the Comptroller. The Comptroller shall
24 mail rebate warrants to those taxpayers by May 1 of the year
25 after the property taxes were paid.

26 (d) A person who attains the age of 65 or who is 65
27 years of age or older during the year the property taxes are
28 paid is eligible to apply for a rebate under this Section.

29 (e) The Department shall coordinate the administration
30 of the rebate under this Section with the Senior Citizens and
31 Disabled Persons Property Tax Relief and Pharmaceutical
32 Assistance program with the goal of maximizing participation
33 in the Senior Citizens and Disabled Persons Property Tax
34 Relief and Pharmaceutical Assistance program.

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