



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4010

Introduced 3/4/2025, by Rep. Tom Weber

SYNOPSIS AS INTRODUCED:

35 ILCS 200/18-161 new
35 ILCS 200/18-233

Amends the Property Tax Code. Provides that, beginning in taxable year 2026, no taxing district, other than a home rule unit, may levy a tax on any parcel of real property that is more than 105% of the base amount unless (i) the increase is attributable to substantial improvements to the property, (ii) the taxing district did not levy a tax against the property in the previous taxable year, or (iii) the increase is attributable to a special service area. Provides that "base amount" means the tax levied by the taxing district on the subject property in the immediately preceding taxable year, except that, if the property received a homestead exemption in the immediately preceding taxable year and is not eligible for that exemption in the current taxable year, then the base amount shall be the tax that would have been levied by the taxing district on the subject property in the immediately preceding taxable year if the homestead exemption had not been applied. Provides that a taxing district may elect to be exempt from those provisions for one or more taxable years if the exemption is approved by referendum. Effective immediately.

LRB104 12378 HLH 22616 b

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 18-233 and by adding Section 18-161 as follows:

6 (35 ILCS 200/18-161 new)

7 Sec. 18-161. Taxing district extension limitation.

8 (a) Notwithstanding any other provision of law, beginning
9 in taxable year 2026, no taxing district may levy a tax on any
10 parcel of real property under this Code that is more than 105%
11 of the base amount unless (i) the increase is attributable to
12 substantial improvements to the property, (ii) the taxing
13 district did not levy a tax against the property in the
14 previous taxable year, or (iii) the increase is attributable
15 to a special service area. The limitation under this Section
16 includes any increase attributable to an adjustment under
17 Section 18-233.

18 (b) A taxing district may elect to be exempt from the
19 provisions of subsection (a) for one or more taxable years if
20 the exemption is approved by a referendum held before January
21 1 of the first taxable year during which the exemption
22 applies. Referenda shall be conducted at a regularly scheduled
23 election held in accordance with the Election Code. The

1 question shall be presented in substantially the following
2 form:

3 "For (taxable years), shall (taxing district) be
4 exempt from the provisions of Section 18-161 of the
5 Property Tax Code, which limits increases in the taxes
6 levied by the taxing against real property to 5% per
7 taxable year?"

8 The taxing district may include the following as
9 supplemental information on the ballot:

10 "A "yes" vote means that (taxing district) would be
11 allowed to increase the amount of taxes levied against
12 each parcel of property by more than 5%."

13 The votes must be recorded as "Yes" or "No".

14 If a majority of voters voting on the issue approves the
15 exemption, then the taxing district shall be exempt from the
16 provisions of this Section for the taxable years specified.

17 (c) As used in this Section:

18 "Base amount" means the tax levied by the taxing district
19 on the subject property in the immediately preceding taxable
20 year, except that, if the property received a homestead
21 exemption under Article 15 in the immediately preceding
22 taxable year and is not eligible for that exemption in the
23 current taxable year, then the base amount shall be the tax
24 that would have been levied by the taxing district on the
25 subject property in the immediately preceding taxable year if
26 the homestead exemption had not been applied.

1 "Taxing district" has the same meaning provided in Section
2 1-150, except that "taxing district" does not include home
3 rule units.

4 (35 ILCS 200/18-233)

5 Sec. 18-233. Adjustments for certificates of error,
6 certain court orders, or final administrative decisions of the
7 Property Tax Appeal Board. Subject to the provisions of
8 Section 18-161, beginning ~~Beginning~~ in levy year 2021, a
9 taxing district levy shall be increased by a prior year
10 adjustment whenever an assessment decrease due to the issuance
11 of a certificate of error, a court order issued pursuant to an
12 assessment valuation complaint under Section 23-15, or a final
13 administrative decision of the Property Tax Appeal Board
14 results in a refund from the taxing district of a portion of
15 the property tax revenue distributed to the taxing district.
16 On or before November 15 of each year, the county treasurer
17 shall certify the aggregate refunds paid by a taxing district
18 during such 12-month period for purposes of this Section. For
19 purposes of the Property Tax Extension Limitation Law, the
20 taxing district's most recent aggregate extension base shall
21 not include the prior year adjustment authorized under this
22 Section. For levy year 2026 and thereafter, an adjustment
23 under this Section, when coupled with all other levy increases
24 imposed by the taxing district, may not cause the tax imposed
25 by that taxing district on any parcel of real property to

1 exceed the limitation set forth in Section 18-161 for that
2 taxing district.

3 (Source: P.A. 102-519, eff. 8-20-21.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.