



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4320

Introduced 1/14/2026, by Rep. Jed Davis

#### 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 2027, no taxing district may levy a tax on any parcel of real property that is more than 103% 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 16726 HLH 30133 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 2027, no taxing district, including a home  
10 rule unit, may levy a tax on any parcel of real property under  
11 this Code that is more than 103% of the base amount unless (i)  
12 the increase is attributable to substantial improvements to  
13 the property, (ii) the taxing district did not levy a tax  
14 against the property in the previous taxable year, or (iii)  
15 the increase is attributable to a special service area. The  
16 limitation under this Section includes any increase  
17 attributable to an adjustment under 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 3% 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 3%."

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) The changes made to this Section by this amendatory  
18 Act of the 104th General Assembly are a denial and limitation  
19 of home rule powers and functions under subsection (g) of  
20 Section 6 of Article VII of the Illinois Constitution.

21 (d) As used in this Section:

22 "Base amount" means the tax levied by the taxing district  
23 on the subject property in the immediately preceding taxable  
24 year, except that, if the property received a homestead  
25 exemption under Article 15 in the immediately preceding  
26 taxable year and is not eligible for that exemption in the

1 current taxable year, then the base amount shall be the tax  
2 that would have been levied by the taxing district on the  
3 subject property in the immediately preceding taxable year if  
4 the homestead exemption had not been applied.

5 "Taxing district" has the same meaning provided in Section  
6 1-150.

7 (35 ILCS 200/18-233)

8 Sec. 18-233. Adjustments for certificates of error,  
9 certain court orders, or final administrative decisions of the  
10 Property Tax Appeal Board. Subject to the provisions of  
11 Section 18-161, beginning ~~Beginning~~ in levy year 2021, a  
12 taxing district levy shall be increased by a prior year  
13 adjustment whenever an assessment decrease due to the issuance  
14 of a certificate of error, a court order issued pursuant to an  
15 assessment valuation complaint under Section 23-15, or a final  
16 administrative decision of the Property Tax Appeal Board  
17 results in a refund from the taxing district of a portion of  
18 the property tax revenue distributed to the taxing district.  
19 On or before November 15 of each year, the county treasurer  
20 shall certify the aggregate refunds paid by a taxing district  
21 during such 12-month period for purposes of this Section. For  
22 purposes of the Property Tax Extension Limitation Law, the  
23 taxing district's most recent aggregate extension base shall  
24 not include the prior year adjustment authorized under this  
25 Section. For levy year 2027 and thereafter, an adjustment

1 under this Section, when coupled with all other levy increases  
2 imposed by the taxing district, may not cause the tax imposed  
3 by that taxing district on any parcel of real property to  
4 exceed the limitation set forth in Section 18-161 for that  
5 taxing district.

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

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