



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1981

Introduced 2/6/2025, by Sen. Willie Preston

SYNOPSIS AS INTRODUCED:

New Act

Creates the Property Tax Relief Act. Provides that any individual whose household is liable for payment of property taxes accrued or has paid rent constituting property taxes accrued and is domiciled in this State at the time he or she files his or her claim is entitled to claim a grant under the Act to be administered by the Department of Revenue. Provides that for 2025 claim year applications submitted during calendar year 2026, a household must have an annual household income of less than the State median adjusted gross income. Provides that for taxable years 2025 and thereafter, an eligible residence must have an assessed market value of less than \$350,000. Provides that except as otherwise provided under the Act, the maximum grant amount which a claimant is entitled to claim not to exceed \$5,000. Sets forth the grant amount for eligible households that receive cash assistance from the Department of Healthcare and Family Services or the Department of Human Services. Contains provisions concerning the effect joint ownership of a single residence or ownership of multiple residences has on the calculation of the grant amount. Sets forth the procedure to file a grant claim. Contains provisions concerning supporting documents the Department of Revenue may require claimants to submit to verify eligibility for a grant; the payment and denial of claims; claimants' records; rules of confidentiality; penalties for filing a fraudulent claim; and Department rules.

LRB104 04968 HLH 14995 b

1 AN ACT concerning property tax.

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 the
5 Property Tax Relief Act.

6 Section 5. Purpose. The purpose of this Act is to relieve
7 citizens from the burdens of extraordinary property taxes
8 against their increasingly restricted earning power, and
9 thereby to reduce the requirements for public housing in this
10 State.

11 Section 10. Definitions. As used in this Act:

12 "Applicant" means an individual who has filed an
13 application under this Act.

14 "Claimant" means an individual who has filed a claim for a
15 property tax relief grant under this Act.

16 "Claim year" means the calendar year prior to the period
17 of time during which a claimant may file an application for
18 benefits under this Act.

19 "Department" means the Department of Revenue.

20 "Director" means the Director of Revenue.

21 "Eligible residence" means a residence with an assessed
22 market value of less than \$350,000.

1 "Federal poverty level" means the federal poverty income
2 guidelines as determined annually by the United States
3 Department of Health and Human Services and updated
4 periodically in the Federal Register by that Department under
5 the authority of 42 U.S.C. 9902(2).

6 "Gross rent" means the total amount paid solely for the
7 right to occupy a residence. If the residence is a nursing or
8 sheltered care home, "gross rent" means the amount paid in a
9 taxable year that is attributable to the cost of housing, but
10 not of meals or care, for the claimant in that home, determined
11 in accordance with rules adopted by the Department.

12 "Household" means the applicant, the spouse of the
13 applicant, and all persons using the residence of the
14 applicant as their principal place of residence.

15 "Household income" means the combined income of the
16 members of a household for the calendar year preceding the
17 taxable year.

18 "Income" means the taxpayer's adjusted gross income,
19 properly reportable for federal income tax purposes under the
20 provisions of the Internal Revenue Code, modified by adding
21 thereto the sum of the following amounts to the extent those
22 amounts are deducted or excluded from the taxpayer's gross
23 income in the computation of the taxpayer's adjusted gross
24 income:

25 (1) an amount equal to all amounts paid or accrued as
26 interest or dividends during the taxable year;

1 (2) an amount equal to the amount of tax imposed on the
2 taxpayer by the Illinois Income Tax Act and paid by or on
3 behalf of the taxpayer for the taxable year;

4 (3) an amount equal to all amounts received by the
5 taxpayer during the taxable year as an annuity under an
6 annuity, endowment, or life insurance contract or under
7 any other contract or agreement;

8 (4) an amount equal to the amount of benefits paid to
9 the taxpayer under the federal Social Security Act during
10 the taxable year;

11 (5) an amount equal to the amount of benefits paid to
12 the taxpayer under the Railroad Retirement Act during the
13 taxable year;

14 (6) an amount equal to the total amount of cash public
15 assistance payments received by the taxpayer from any
16 governmental agency during the taxable year other than
17 benefits received pursuant to this Act;

18 (7) an amount equal to any net operating loss
19 carryover deduction or capital loss carryover deduction
20 taken by the taxpayer during the taxable year; and

21 (8) an amount equal to any benefits received by the
22 taxpayer under the Workers' Compensation Act or the
23 Workers' Occupational Diseases Act during the taxable
24 year.

25 "Income" does not include veteran's benefits or any
26 distributions or items of income described under subparagraph

1 (X) of paragraph (2) of subsection (a) of Section 203 of the
2 Illinois Income Tax Act or any payments under Section 2201 or
3 Section 2202 of the American Recovery and Reinvestment Act of
4 2009.

5 "Internal Revenue Code" means the United States Internal
6 Revenue Code of 1986 or any successor law or laws relating to
7 federal income taxes in effect for the year.

8 "Maximum income limitation" means the State median
9 adjusted gross income for the taxable year for which the
10 applicant is seeking a grant under this Act.

11 "Property taxes accrued" means the ad valorem property
12 taxes extended against a residence, but does not include
13 special assessments, interest, or charges for service. For the
14 purpose of calculating the property taxes accrued for real
15 estate improved with a multidwelling or multipurpose building,
16 ad valorem property taxes extended against a residence within
17 such a building shall be an amount equal to the same percentage
18 of the total property taxes extended against that real estate
19 as improved as the value of the residence is to the total value
20 of the building. If the multidwelling building is owned and
21 operated as a cooperative, the value of an individual
22 residence is the value of the interest in the cooperative held
23 by the owner of record of the legal or equitable interest,
24 other than a leasehold interest, in the cooperative which
25 confers the right to occupy that residence. In determining the
26 amount of the grant under Section 15, the applicable property

1 taxes accrued, as determined under this Section, are those
2 payable or paid in the last preceding taxable year.

3 In addition, if the residence is a mobile home, as defined
4 in and subject to the tax imposed by the Mobile Home Local
5 Services Tax Act, "property taxes accrued" includes the amount
6 of privilege tax paid during the calendar year for which
7 benefits are claimed under that Act on that mobile home. If (i)
8 the residence is a mobile home, (ii) the resident is the record
9 owner of the property upon which the mobile home is located,
10 and (iii) the resident is liable for the taxes imposed under
11 the Property Tax Code for both the mobile home and the
12 property, then "property taxes accrued" includes the amount of
13 property taxes paid on both the mobile home and the property
14 upon which the mobile home is located.

15 "Rules" means both rules adopted and forms prescribed by
16 the Department.

17 "Rent constituting property taxes accrued" means 20% of
18 the amount of gross rent paid in a taxable year for a residence
19 that was subject to ad valorem property taxes in that year
20 under the Property Tax Code.

21 "Residence" means the principal dwelling place occupied in
22 this State by a household and so much of the surrounding land
23 as is reasonably necessary for use of the dwelling as a home,
24 and includes rental property, mobile homes, single family
25 dwellings, and units in multifamily, multidwelling, or
26 multipurpose buildings. If the assessor has established a

1 specific legal description for a portion of property
2 constituting the residence, then that portion of property
3 shall be deemed "residence" for the purposes of this Act.

4 "Taxable year" means the calendar year during which ad
5 valorem property taxes payable in the next succeeding calendar
6 year are levied.

7 Section 15. Amount of grant.

8 (a) Beginning on January 1, 2026, any individual (i) whose
9 household is liable for the payment of property taxes accrued
10 with respect to an eligible residence or who has paid rent
11 constituting property taxes accrued with respect to an
12 eligible residence and (ii) is domiciled in this State at the
13 time the individual files a claim under this Act is entitled to
14 a grant under this Act.

15 (b) For 2025 claim year applications submitted during
16 calendar year 2026, an applicant is not eligible for a grant
17 under this Act unless the applicant has an annual household
18 income for the taxable year for which the claim is made of less
19 than the maximum income limitation for that taxable year.

20 (c) Except as otherwise provided, the maximum amount of
21 the grant which a claimant is entitled is the amount by which
22 the property taxes accrued which were paid or payable during
23 the last preceding taxable year or rent constituting property
24 taxes accrued upon the claimant's residence for the last
25 preceding taxable year exceeds 5% of the claimant's household

1 income for that year, but in no event may the grant exceed
2 \$5,000 for any taxable year.

3 (d) If the applicant's household income in one or more
4 months during a year includes cash assistance in excess of \$55
5 per month from the Department of Healthcare and Family
6 Services or the Department of Human Services that was
7 determined under rules of the applicable Department on a
8 measure of need that included an allowance for actual rent or
9 property taxes paid by the recipient of that assistance, then
10 the amount of grant to which that household is entitled shall
11 be the product of: (1) the maximum amount computed as
12 specified in subsection (c); and (2) the ratio of the number of
13 months in which household income did not include such cash
14 assistance over \$55 to the number 12. If household income did
15 not include such cash assistance over \$55 for any months
16 during the year, the amount of the grant to which the household
17 is entitled shall be the maximum amount computed as specified
18 in subsection (c). For purposes of this subsection, "cash
19 assistance" does not include any amount received under the
20 federal Supplemental Security Income (SSI) program.

21 (e) If title to the residence is held jointly by the
22 claimant with a person who is not a member of the claimant's
23 household, then the amount of property taxes accrued used in
24 computing the amount of grant to which he or she is entitled
25 shall be the same percentage of property taxes accrued as is
26 the percentage of ownership held by the claimant in the

1 residence.

2 (f) If a claimant has occupied more than one residence in
3 the taxable year, the claimant may claim only one residence
4 for any part of a month. In the case of property taxes accrued,
5 the claimant shall prorate one-twelfth of the total property
6 taxes accrued on the claimant's residence to each month that
7 the claimant owned and occupied that residence, and, in the
8 case of rent constituting property taxes accrued, shall
9 prorate each month's rent payments to the residence actually
10 occupied during that month.

11 Section 20. Procedure.

12 (a) Claims must be filed after January 1 on forms
13 prescribed by the Department of Revenue or as itemized
14 deductions on the Illinois income tax return. No claim may be
15 filed more than one year after December 31 of the year for
16 which the claim is filed.

17 (b) The right to file a claim under this Act shall be
18 personal to the claimant and shall not survive the claimant's
19 death, but that right may be exercised on behalf of a claimant
20 by the claimant's legal guardian or attorney-in-fact. If a
21 claimant dies after having filed a timely claim, the amount
22 thereof shall be disbursed to the claimant's surviving spouse
23 or, if no spouse survives, to the claimant's surviving
24 dependent minor children in equal parts, provided the spouse
25 or child, as the case may be, resided with the claimant at the

1 time the claim was filed. If at the time of disbursement
2 neither the claimant nor the claimant's spouse is surviving,
3 and no dependent minor children of the claimant are surviving
4 the amount of the claim shall escheat to the State.

5 (c) Only one member of a household may file a claim under
6 this Act in any calendar year. If both members of a household
7 are otherwise entitled to claim a grant under this Act and are
8 filing taxes separately, they must agree as to which of them
9 will file a claim for that year.

10 (d) A person may not under any circumstances charge a fee
11 to a claimant under this Act for assistance in completing an
12 application form for a property tax relief grant under this
13 Act.

14 Section 25. Administration.

15 (a) Upon receipt of a timely filed claim, the Department
16 shall determine whether the claimant is a person entitled to a
17 grant under this Act and the amount of grant to which the
18 claimant is entitled under this Act. The Department may
19 require the claimant to furnish reasonable proof of the
20 statements of domicile, household income, rent paid, property
21 taxes accrued, and other matters on which entitlement is
22 based, and may withhold payment of a grant until such
23 additional proof is furnished.

24 (b) If the Department finds that the gross rent used in the
25 computation by a claimant of rent constituting property taxes

1 accrued exceeds the fair rental value for the right to occupy
2 that residence, the Department may determine the fair rental
3 value for that residence and recompute rent constituting
4 property taxes accrued accordingly.

5 (c) The Department shall deny claims that have been
6 fraudulently prepared or when it finds that the claimant has
7 acquired title to the claimant's residence or has paid rent
8 for the claimant's residence primarily for the purpose of
9 receiving a grant under this Act.

10 Section 30. Payment and denial of claims.

11 (a) The Director shall order the payment of grants under
12 this Act from appropriations made for that purpose in the
13 amounts to which the Department has determined that claimants
14 are entitled. If a claim is denied, the Director shall cause
15 written notice of that denial and the reasons for that denial
16 to be sent to the claimant.

17 (b) If the amount of the grant under this Act is less than
18 one dollar, the Department shall pay to the claimant one
19 dollar.

20 (c) Any person aggrieved by an action or determination of
21 the Department arising under any of its powers or duties under
22 this Act may request in writing that the Department reconsider
23 its action or determination, setting out the facts upon which
24 the request is based. The Department shall consider the
25 request and either modify or affirm its prior action or

1 determination. The Department may adopt, by rule, procedures
2 for conducting its review under this Section.

3 Section 35. Records. Every claimant of a grant under this
4 Act shall keep such records, render such statements, file such
5 forms, and comply with such rules as the Department may from
6 time to time prescribe. The Department may, by rule, require
7 landlords to furnish to tenants statements as to gross rent or
8 rent constituting property taxes accrued.

9 Section 40. Confidentiality.

10 (a) Except as otherwise provided in this Act, all
11 information received by the Department, or its successors,
12 from claims filed under this Act, or from any investigation
13 conducted under the provisions of this Act, shall be
14 confidential, except for official purposes within the
15 Department or pursuant to official procedures for collection
16 of any State tax or enforcement of any civil or criminal
17 penalty or sanction imposed by this Act or by any statute
18 imposing a State tax, and any person who divulges any such
19 information in any manner, except for such purposes and
20 pursuant to order of the Director or in accordance with a
21 proper judicial order, shall be guilty of a Class A
22 misdemeanor.

23 (b) Nothing contained in this Act shall prevent the
24 Director from publishing or making available reasonable

1 statistics concerning the operation of the grant program
2 contained in this Act wherein the contents of claims are
3 grouped into aggregates in such a way that information
4 contained in any individual claim shall not be disclosed.

5 Section 45. Fraud; error.

6 (a) Any person who files a fraudulent claim for a grant
7 under this Act, or who for compensation prepares a claim for a
8 grant and knowingly enters false information on an application
9 for any claimant under this Act is guilty of a Class 4 felony
10 for the first offense and is guilty of a Class 3 felony for
11 each subsequent offense.

12 (b) The Department may recover from a claimant any amount
13 paid to that claimant under this Act on account of an erroneous
14 or fraudulent claim, together with 6% interest per year.
15 Amounts recoverable from a claimant by the Department under
16 this Act may, but need not, be recovered by offsetting the
17 amount owed against any future grant payable to the person
18 under this Act.

19 (c) A prosecution for a violation of this Section may be
20 commenced at any time within 3 years of the commission of that
21 violation.

22 Section 50. Arrangements and captions. No inference,
23 implication, or presumption of legislative construction shall
24 be drawn or made by reason of the location or grouping of any

1 particular Section or provision of this Act, nor shall any
2 caption be given any legal effect.

3 Section 55. Severability. If any clause, sentence,
4 section, provision or part of this Act or the application
5 thereof to any person or circumstance shall be adjudged to be
6 unconstitutional, the remainder of this Act or its application
7 to persons or circumstances other than those to which it is
8 held invalid, shall not be affected thereby.

9 Section 60. Rules.

10 (a) Notwithstanding any other provision to the contrary,
11 the Department may adopt rules regarding applications, proof
12 of eligibility, required identification information, use of
13 social security numbers, counting of income, and a method of
14 computing "gross rent" in the case of a claimant living in a
15 nursing or sheltered care home, and any other rules necessary
16 for the cost-efficient operation of the program established
17 under Section 15.

18 (b) The Department shall, to the extent of appropriations
19 made for that purpose:

20 (1) secure the cooperation of other State agencies and
21 local business establishments to facilitate distribution
22 of applications under this Act to those eligible to file
23 claims; and

24 (2) through the use of direct mail, newspaper

1 advertisements, radio advertisements, television
2 advertisements, and all other appropriate means of
3 communication, conduct an ongoing public relations program
4 to increase awareness of eligible citizens of the benefits
5 under this Act and the procedures for applying for those
6 benefits.