

SB2095



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2095

Introduced 2/6/2025, by Sen. Erica Harriss

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Provides that, for taxable year 2025, the maximum reduction for the general homestead exemption shall be \$10,000 in all counties. Provides that, for taxable years 2026 and thereafter, the maximum reduction for the general homestead exemption in all counties shall be the maximum reduction for the immediately preceding taxable year, increased by the lesser of (i) 5% or (ii) the percentage increase in the Consumer Price Index during the 12-month period ending on September 30 of the immediately preceding taxable year. Effective immediately.

LRB104 06186 HLH 16221 b

A BILL FOR

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 15-175 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption.

8 (a) Except as provided in Sections 15-176 and 15-177,
9 homestead property is entitled to an annual homestead
10 exemption limited, except as described here with relation to
11 cooperatives or life care facilities, to a reduction in the
12 equalized assessed value of homestead property equal to the
13 increase in equalized assessed value for the current
14 assessment year above the equalized assessed value of the
15 property for 1977, up to the maximum reduction set forth
16 below. If however, the 1977 equalized assessed value upon
17 which taxes were paid is subsequently determined by local
18 assessing officials, the Property Tax Appeal Board, or a court
19 to have been excessive, the equalized assessed value which
20 should have been placed on the property for 1977 shall be used
21 to determine the amount of the exemption.

22 (b) Except as provided in Section 15-176, the maximum
23 reduction before taxable year 2004 shall be \$4,500 in counties

1 with 3,000,000 or more inhabitants and \$3,500 in all other
2 counties. Except as provided in Sections 15-176 and 15-177,
3 for taxable years 2004 through 2007, the maximum reduction
4 shall be \$5,000, for taxable year 2008, the maximum reduction
5 is \$5,500, and, for taxable years 2009 through 2011, the
6 maximum reduction is \$6,000 in all counties. For taxable years
7 2012 through 2016, the maximum reduction is \$7,000 in counties
8 with 3,000,000 or more inhabitants and \$6,000 in all other
9 counties. For taxable years 2017 through 2022, the maximum
10 reduction is \$10,000 in counties with 3,000,000 or more
11 inhabitants and \$6,000 in all other counties. For taxable
12 years 2023 and 2024 ~~thereafter~~, the maximum reduction is
13 \$10,000 in counties with 3,000,000 or more inhabitants, \$8,000
14 in counties that are contiguous to a county of 3,000,000 or
15 more inhabitants, and \$6,000 in all other counties. For
16 taxable year 2025, the maximum reduction shall be \$10,000 in
17 all counties. For taxable years 2026 and thereafter, the
18 maximum reduction in all counties shall be the maximum
19 reduction for the immediately preceding taxable year,
20 increased by the lesser of (i) 5% or (ii) the percentage
21 increase in the Consumer Price Index during the 12-month
22 period ending on September 30 of the immediately preceding
23 taxable year. If a county has elected to subject itself to the
24 provisions of Section 15-176 as provided in subsection (k) of
25 that Section, then, for the first taxable year only after the
26 provisions of Section 15-176 no longer apply, for owners who,

1 for the taxable year, have not been granted a senior citizens
2 assessment freeze homestead exemption under Section 15-172 or
3 a long-time occupant homestead exemption under Section 15-177,
4 there shall be an additional exemption of \$5,000 for owners
5 with a household income of \$30,000 or less.

6 (c) In counties with fewer than 3,000,000 inhabitants, if,
7 based on the most recent assessment, the equalized assessed
8 value of the homestead property for the current assessment
9 year is greater than the equalized assessed value of the
10 property for 1977, the owner of the property shall
11 automatically receive the exemption granted under this Section
12 in an amount equal to the increase over the 1977 assessment up
13 to the maximum reduction set forth in this Section.

14 (d) If in any assessment year beginning with the 2000
15 assessment year, homestead property has a pro-rata valuation
16 under Section 9-180 resulting in an increase in the assessed
17 valuation, a reduction in equalized assessed valuation equal
18 to the increase in equalized assessed value of the property
19 for the year of the pro-rata valuation above the equalized
20 assessed value of the property for 1977 shall be applied to the
21 property on a proportionate basis for the period the property
22 qualified as homestead property during the assessment year.
23 The maximum proportionate homestead exemption shall not exceed
24 the maximum homestead exemption allowed in the county under
25 this Section divided by 365 and multiplied by the number of
26 days the property qualified as homestead property.

1 (d-1) In counties with 3,000,000 or more inhabitants,
2 where the chief county assessment officer provides a notice of
3 discovery, if a property is not occupied by its owner as a
4 principal residence as of January 1 of the current tax year,
5 then the property owner shall notify the chief county
6 assessment officer of that fact on a form prescribed by the
7 chief county assessment officer. That notice must be received
8 by the chief county assessment officer on or before March 1 of
9 the collection year. If mailed, the form shall be sent by
10 certified mail, return receipt requested. If the form is
11 provided in person, the chief county assessment officer shall
12 provide a date stamped copy of the notice. Failure to provide
13 timely notice pursuant to this subsection (d-1) shall result
14 in the exemption being treated as an erroneous exemption. Upon
15 timely receipt of the notice for the current tax year, no
16 exemption shall be applied to the property for the current tax
17 year. If the exemption is not removed upon timely receipt of
18 the notice by the chief assessment officer, then the error is
19 considered granted as a result of a clerical error or omission
20 on the part of the chief county assessment officer as
21 described in subsection (h) of Section 9-275, and the property
22 owner shall not be liable for the payment of interest and
23 penalties due to the erroneous exemption for the current tax
24 year for which the notice was filed after the date that notice
25 was timely received pursuant to this subsection. Notice
26 provided under this subsection shall not constitute a defense

1 or amnesty for prior year erroneous exemptions.

2 For the purposes of this subsection (d-1):

3 "Collection year" means the year in which the first and
4 second installment of the current tax year is billed.

5 "Current tax year" means the year prior to the collection
6 year.

7 (e) The chief county assessment officer may, when
8 considering whether to grant a leasehold exemption under this
9 Section, require the following conditions to be met:

10 (1) that a notarized application for the exemption,
11 signed by both the owner and the lessee of the property,
12 must be submitted each year during the application period
13 in effect for the county in which the property is located;

14 (2) that a copy of the lease must be filed with the
15 chief county assessment officer by the owner of the
16 property at the time the notarized application is
17 submitted;

18 (3) that the lease must expressly state that the
19 lessee is liable for the payment of property taxes; and

20 (4) that the lease must include the following language
21 in substantially the following form:

22 "Lessee shall be liable for the payment of real
23 estate taxes with respect to the residence in
24 accordance with the terms and conditions of Section
25 15-175 of the Property Tax Code (35 ILCS 200/15-175).
26 The permanent real estate index number for the

1 premises is (insert number), and, according to the
2 most recent property tax bill, the current amount of
3 real estate taxes associated with the premises is
4 (insert amount) per year. The parties agree that the
5 monthly rent set forth above shall be increased or
6 decreased pro rata (effective January 1 of each
7 calendar year) to reflect any increase or decrease in
8 real estate taxes. Lessee shall be deemed to be
9 satisfying Lessee's liability for the above mentioned
10 real estate taxes with the monthly rent payments as
11 set forth above (or increased or decreased as set
12 forth herein).".

13 In addition, if there is a change in lessee, or if the
14 lessee vacates the property, then the chief county assessment
15 officer may require the owner of the property to notify the
16 chief county assessment officer of that change.

17 This subsection (e) does not apply to leasehold interests
18 in property owned by a municipality.

19 (f) "Homestead property" under this Section includes
20 residential property that is occupied by its owner or owners
21 as his or their principal dwelling place, or that is a
22 leasehold interest on which a single family residence is
23 situated, which is occupied as a residence by a person who has
24 an ownership interest therein, legal or equitable or as a
25 lessee, and on which the person is liable for the payment of
26 property taxes. For land improved with an apartment building

1 owned and operated as a cooperative, the maximum reduction
2 from the equalized assessed value shall be limited to the
3 increase in the value above the equalized assessed value of
4 the property for 1977, up to the maximum reduction set forth
5 above, multiplied by the number of apartments or units
6 occupied by a person or persons who is liable, by contract with
7 the owner or owners of record, for paying property taxes on the
8 property and is an owner of record of a legal or equitable
9 interest in the cooperative apartment building, other than a
10 leasehold interest. For land improved with a life care
11 facility, the maximum reduction from the value of the
12 property, as equalized by the Department, shall be multiplied
13 by the number of apartments or units occupied by a person or
14 persons, irrespective of any legal, equitable, or leasehold
15 interest in the facility, who are liable, under a life care
16 contract with the owner or owners of record of the facility,
17 for paying property taxes on the property. For purposes of
18 this Section, the term "life care facility" has the meaning
19 stated in Section 15-170.

20 (f-1) As used in this Section:

21 "Consumer Price Index" means the index published by the
22 Bureau of Labor Statistics of the United States Department of
23 Labor that measures the average change in prices of goods and
24 services purchased by all urban consumers, United States city
25 average, all items, 1982-84 = 100.

26 "Household", as used in this Section, means the owner, the

1 spouse of the owner, and all persons using the residence of the
2 owner as their principal place of residence.

3 "Household income", ~~as used in this Section,~~ means the
4 combined income of the members of a household for the calendar
5 year preceding the taxable year.

6 "Income", ~~as used in this Section,~~ has the same meaning as
7 provided in Section 3.07 of the Senior Citizens and Persons
8 with Disabilities Property Tax Relief Act, except that
9 "income" does not include veteran's benefits.

10 (g) In a cooperative or life care facility where a
11 homestead exemption has been granted, the cooperative
12 association or the management of the cooperative or life care
13 facility shall credit the savings resulting from that
14 exemption only to the apportioned tax liability of the owner
15 or resident who qualified for the exemption. Any person who
16 willfully refuses to so credit the savings shall be guilty of a
17 Class B misdemeanor.

18 (h) Where married persons maintain and reside in separate
19 residences qualifying as homestead property, each residence
20 shall receive 50% of the total reduction in equalized assessed
21 valuation provided by this Section.

22 (i) In all counties, the assessor or chief county
23 assessment officer may determine the eligibility of
24 residential property to receive the homestead exemption and
25 the amount of the exemption by application, visual inspection,
26 questionnaire or other reasonable methods. The determination

1 shall be made in accordance with guidelines established by the
2 Department, provided that the taxpayer applying for an
3 additional general exemption under this Section shall submit
4 to the chief county assessment officer an application with an
5 affidavit of the applicant's total household income, age,
6 marital status (and, if married, the name and address of the
7 applicant's spouse, if known), and principal dwelling place of
8 members of the household on January 1 of the taxable year. The
9 Department shall issue guidelines establishing a method for
10 verifying the accuracy of the affidavits filed by applicants
11 under this paragraph. The applications shall be clearly marked
12 as applications for the Additional General Homestead
13 Exemption.

14 (i-5) This subsection (i-5) applies to counties with
15 3,000,000 or more inhabitants. In the event of a sale of
16 homestead property, the homestead exemption shall remain in
17 effect for the remainder of the assessment year of the sale.
18 Upon receipt of a transfer declaration transmitted by the
19 recorder pursuant to Section 31-30 of the Real Estate Transfer
20 Tax Law for property receiving an exemption under this
21 Section, the assessor shall mail a notice and forms to the new
22 owner of the property providing information pertaining to the
23 rules and applicable filing periods for applying or reapplying
24 for homestead exemptions under this Code for which the
25 property may be eligible. If the new owner fails to apply or
26 reapply for a homestead exemption during the applicable filing

1 period or the property no longer qualifies for an existing
2 homestead exemption, the assessor shall cancel such exemption
3 for any ensuing assessment year.

4 (j) In counties with fewer than 3,000,000 inhabitants, in
5 the event of a sale of homestead property the homestead
6 exemption shall remain in effect for the remainder of the
7 assessment year of the sale. The assessor or chief county
8 assessment officer may require the new owner of the property
9 to apply for the homestead exemption for the following
10 assessment year.

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

14 (l) The changes made to this Section by this amendatory
15 Act of the 100th General Assembly are effective for the 2018
16 tax year and thereafter.

17 (Source: P.A. 102-895, eff. 5-23-22.)

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.