

SB2779



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2779

Introduced 1/13/2026, by Sen. Lakesia Collins

SYNOPSIS AS INTRODUCED:

20 ILCS 2505/2505-820 new

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Provides that the Department of Revenue, in consultation with the Governor's Office of Management and Budget, shall conduct a study to determine the feasibility of phasing out the use of property taxes as a funding source for school districts and replacing that revenue with other State and local revenue streams.

LRB104 16975 HLH 30389 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 Department of Revenue Law of the Civil
5 Administrative Code of Illinois is amended by adding Section
6 2505-820 as follows:

7 (20 ILCS 2505/2505-820 new)

8 Sec. 2505-820. Property tax replacement feasibility study.

9 Notwithstanding any other provision of law, the Department, in
10 consultation with the Governor's Office of Management and
11 Budget, shall conduct a study to determine the feasibility of
12 phasing out the use of property taxes as a funding source for
13 school districts and replacing that revenue with other State
14 and local revenue streams, including, but not limited to,
15 income taxes, estate taxes, real estate transfer taxes,
16 cannabis taxes, use and occupation taxes, and capital gains
17 taxes. The study shall (i) examine other states that do not
18 primarily fund schools through property taxes and (ii) propose
19 spending cuts or an increased revenue to facilitate the
20 change.