



Sen. Graciela Guzmán

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LRB104 20474 HLH 37188 a

1 AMENDMENT TO SENATE BILL 3169

2 AMENDMENT NO. _____. Amend Senate Bill 3169 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Short-Term Rental Excise Tax Act.

6 Section 5. Definitions. As used in this Act:

7 "Department" means the Department of Revenue.

8 "Hosting platform" means a person who provides an online
9 application, software, website, or system through which a
10 short-term rental located in this State is advertised or held
11 out to the public as available to rent for occupancy.

12 "Net revenue realized" means the revenue collected by the
13 State under this Act, less the amount paid out as discounts
14 under Section 40 and refunds to short-term rental operators
15 for overpayment of liability under this Act.

16 "Occupancy" means the use or possession, or the right to

1 the use or possession, of any short-term rental for any
2 purpose or the right to the use or possession of the
3 furnishings or to the services and accommodations accompanying
4 the use and possession of the short-term rental.

5 "Person" means any natural individual, firm, partnership,
6 association, joint stock company, joint venture, public or
7 private corporation, or limited liability company or any
8 receiver, executor, trustee, guardian, or other representative
9 appointed by order of any court.

10 "Renter" means the lessee or tenant of a short-term
11 rental.

12 "Rental price" means the gross amount of consideration for
13 the occupancy of a short-term rental, valued in money, whether
14 received in money or otherwise, including all receipts, cash,
15 credits, and property or services of any kind or nature.

16 "Rental price" includes any fee, charge, or commission
17 received from a guest by a re-renter of short-term rentals
18 specifically in connection with the re-rental of short-term
19 rentals.

20 "Re-renter of short-term rentals" means a person who is
21 not employed by the short-term rental operator but who, either
22 directly or indirectly, through agreements or arrangements
23 with third-parties, collects or processes the payment of rent
24 for a short-term rental located in this State and (i) obtains
25 the right or authority to grant control of, access to, or
26 occupancy of a short-term rental in this State to a renter of

1 the short-term rental or (ii) facilitates the booking of a
2 short-term rental in this State.

3 "Short-term rental" means an owner-occupied,
4 tenant-occupied, or non-owner-occupied dwelling, including,
5 but not limited to, an apartment, house, cottage, or
6 condominium, located in this State, where: (i) at least one
7 room in the dwelling is rented to an occupant for a period of
8 less than 30 consecutive days; and (ii) all accommodations are
9 reserved in advance; provided, however, that a dwelling shall
10 be considered a single room if rented as such.

11 "Short-term rental marketplace" means a physical or
12 electronic place, forum, platform, application, or other
13 method by which short-term rental operators rent, lease, or
14 let, or offer to rent, lease, or let, short-term rentals.

15 "Short-term rental marketplace facilitator" means a person
16 who, pursuant to agreements with unrelated third-party
17 short-term rental operators, directly or indirectly through
18 one or more affiliates, facilitates the renting, leasing, or
19 letting of short-term rentals by unrelated third-party
20 short-term rental operators by:

21 (1) listing or advertising short-term rentals for
22 rent, lease, or letting by short-term rental operators in
23 a short-term rental marketplace, the renting, leasing, or
24 letting of which is subject to tax under this Act; and

25 (2) collecting, either directly or indirectly, through
26 agreements or arrangements with third parties, payment

1 from renters and transmitting those payments to the
2 short-term rental operator, regardless of whether the
3 short-term rental marketplace facilitator receives
4 compensation or other consideration in exchange for its
5 services.

6 "Short-term rental marketplace facilitator" includes
7 re-renters of short-term rentals and hosting platforms that
8 otherwise meet the definition of "short-term rental
9 marketplace facilitator" set forth in this Section.

10 "Short-term rental operator" means any person engaged in
11 the business of renting, leasing, or letting a short-term
12 rental, including any person who rents, leases, or lets
13 short-term rentals through a short-term rental marketplace
14 operated by an unrelated third-party short-term rental
15 marketplace facilitator.

16 Section 10. Rate; exemptions.

17 (a) On and after January 1, 2027, a tax is imposed upon
18 each renter for the privilege of renting, leasing, or letting
19 a short-term rental in this State at the rate of 4% of the
20 rental price of that short-term rental. The rental price shall
21 not include taxes or charges that are added on account of the
22 liability arising from this tax or any tax imposed by the State
23 or any governmental agency on the occupation of renting,
24 leasing, or letting or on the privilege of using short-term
25 rentals or hotels, as defined in Section 2 of the Hotel

1 Operators' Occupation Tax Act. The tax imposed under this Act
2 shall be in addition to all other occupation or privilege
3 taxes imposed by the State of Illinois or by any municipal
4 corporation or political subdivision thereof.

5 (b) The tax imposed by this Act shall be collected from the
6 renter by the short-term rental operator and shall be remitted
7 to the Department as provided in Section 40. Short-term rental
8 operators shall collect the tax from the renter by adding the
9 tax to the charge for the act or privilege of renting, leasing,
10 or letting a short-term rental in this State. The tax imposed
11 by this Act shall, when collected, be stated as a distinct item
12 separate and apart from the gross charge for renting, leasing,
13 or letting a short-term rental. The tax imposed by this Act
14 shall constitute a debt of the renter to the short-term rental
15 operator who provides such taxable services until paid and, if
16 unpaid, is recoverable at law in the same manner as the
17 original charge for such taxable services. If the renting,
18 leasing, or letting of a short-term rental is done through a
19 short-term rental marketplace facilitator that has met the tax
20 remittance threshold set forth in Section 15 of this Act, then
21 the short-term rental marketplace facilitator is the
22 short-term rental operator for the purposes of the taxes under
23 this Act.

24 (c) The tax under this Act is not imposed upon the
25 privilege of engaging in any business in interstate commerce
26 or otherwise, which business may not, under the Constitution

1 and statutes of the United States or under any federal treaty,
2 be made the subject of taxation by this State.

3 (d) The tax imposed by this Act does not apply to the
4 renting, leasing, or letting of short-term rentals by an
5 entity that is organized and operated exclusively for
6 religious purposes and that possesses an active Exemption
7 Identification Number issued by the Department pursuant to the
8 Retailers' Occupation Tax Act if the renting, leasing, or
9 letting is in furtherance of the purposes for which the exempt
10 organization is organized. This subsection (d) is exempt from
11 Section 20 of this Act.

12 (e) The tax imposed by this Act does not apply to the
13 renting, leasing, or letting of short-term rentals by an
14 entity that is organized and operated exclusively by an
15 organization chartered by the United States Congress for the
16 purpose of providing disaster relief and that possesses an
17 active Exemption Identification Number issued by the
18 Department pursuant to the Retailers' Occupation Tax Act if
19 the renting, leasing, or letting is in furtherance of the
20 purposes for which the exempt organization is organized. This
21 subsection (e) is exempt from Section 20 of this Act.

22 (f) If any short-term rental operator collects an amount,
23 however designated, that purports to be for the renter's tax
24 liability measured by rental charges that are not subject to
25 the short-term rental excise tax under this Act, or if any
26 short-term rental operator, in collecting an amount, however

1 designated, that purports to be for the renter's tax liability
2 measured by rental charges which are subject to the short-term
3 rental excise tax under this Act, collects more from the
4 renter than the renter's short-term rental excise tax
5 liability for the transaction is, the renter shall have a
6 legal right to claim a refund of that amount from the
7 short-term rental operator. If that amount is not refunded to
8 the renter, for any reason, the short-term rental operator is
9 liable to pay that amount to the Department.

10 Section 15. Short-term rental marketplace facilitators.

11 (a) A short-term rental marketplace facilitator meets the
12 tax remittance threshold for purposes of this Act if, during
13 the previous 12-month period, the cumulative gross rental
14 receipts received by the short-term rental marketplace
15 facilitator from the renting, leasing, or letting of
16 short-term rentals on the facilitator's own behalf or on
17 behalf of short-term rental operators, not including rental
18 receipts exempt from the tax under subsections (d) and (e) of
19 Section 10 of this Act, are greater than or equal to \$100,000.
20 A short-term rental marketplace facilitator who meets the tax
21 remittance threshold and rents, leases, or lets Illinois
22 short-term rentals to renters is subject to all applicable
23 procedures and requirements of this Act.

24 A short-term rental marketplace facilitator shall
25 determine on a quarterly basis, ending on the last day of

1 March, June, September, and December, whether it meets the tax
2 remittance threshold in this Section for the preceding
3 12-month period. If the short-term rental marketplace
4 facilitator meets the tax remittance threshold for a 12-month
5 period, it is required to collect and remit the tax imposed
6 under this Act and to file all applicable returns for one year.
7 At the end of that one-year period, the short-term rental
8 marketplace facilitator shall determine whether it met the tax
9 remittance threshold for the preceding 12-month period. If the
10 short-term rental marketplace facilitator met the tax
11 remittance threshold for the preceding 12-month period, it is
12 required to continue to collect and remit the tax imposed
13 under this Act and file returns for the subsequent year. If, at
14 the end of a one-year period, a short-term rental marketplace
15 facilitator that was required to collect and remit the tax
16 imposed under this Act determines that it did not meet the tax
17 remittance threshold during the preceding 12-month period, the
18 short-term rental marketplace facilitator shall subsequently
19 determine on a quarterly basis, ending on the last day of
20 March, June, September, and December, whether it meets the tax
21 remittance threshold for the preceding 12-month period.

22 A short-term rental marketplace facilitator that meets the
23 tax remittance threshold shall be entitled to any credits,
24 deductions, or adjustments to rental receipts otherwise
25 provided to the short-term rental operator, in addition to any
26 adjustments provided directly to the short-term rental

1 marketplace facilitator, including, but not limited to,
2 adjustments such as discounts, coupons, and rebates. In
3 addition, a short-term rental marketplace facilitator is
4 entitled to the discount provided in Section 40 of this Act on
5 all short-term rental marketplace rentals, leases, or
6 lettings, and the short-term rental operator shall not include
7 rentals, leases, or lettings made through such a short-term
8 rental marketplace facilitator when computing any discount on
9 remaining rentals, leases, or lettings. Short-term rental
10 marketplace facilitators shall report and remit the applicable
11 taxes under this Act on leases, rentals, or lettings
12 facilitated for short-term rental operators separately from
13 any taxes under this Act on taxable rentals, leases, or
14 lettings made directly by the short-term rental marketplace
15 facilitator or its affiliates.

16 The short-term rental marketplace facilitator that meets
17 the tax remittance threshold is liable for the remittance of
18 all applicable taxes under this Act on rentals, leases, or
19 lettings made through the short-term rental marketplace and is
20 subject to audit on all of those rentals, leases, or lettings.
21 The Department shall not audit short-term rental operators for
22 their short-term rental marketplace rentals, leases, or
23 lettings if the short-term rental marketplace facilitator
24 remitted the applicable taxes under this Act unless the
25 short-term rental marketplace facilitator seeks relief as a
26 result of incorrect information provided to the short-term

1 rental marketplace facilitator by a short-term rental operator
2 as set forth in this Section. The short-term rental
3 marketplace facilitator shall not be held liable for tax on
4 any rentals, leases, or lettings made by a short-term rental
5 operator that take place outside of the short-term rental
6 marketplace and that are not a part of any agreement between a
7 short-term rental marketplace facilitator and a short-term
8 rental operator. In addition, short-term rental marketplace
9 facilitators shall not be held liable to the State of Illinois
10 for having charged and remitted an incorrect amount of tax
11 under this Act if, at the time of the rentals, leases, or
12 lettings, the tax is computed based on erroneous data provided
13 by the State on tax rates, boundaries, or taxing jurisdictions
14 or incorrect information provided to the short-term rental
15 marketplace facilitator by the short-term rental operator.

16 (b) A short-term rental marketplace facilitator that meets
17 the tax remittance threshold shall:

18 (1) provide notice to each short-term rental operator
19 at the time of the agreement between the short-term rental
20 marketplace facilitator and short-term rental operator
21 that the short-term rental marketplace facilitator assumes
22 the rights and duties of a short-term rental operator
23 under this Act with respect to rentals, leases, or
24 lettings made by the short-term rental operator through
25 the short-term rental marketplace;

26 (2) certify, upon request, to the short-term rental

1 operator that the short-term rental marketplace
2 facilitator assumes the rights and duties of a short-term
3 rental operator under this Act with respect to rentals,
4 leases, or lettings made by the short-term rental operator
5 through the short-term rental marketplace; and

6 (3) collect and remit taxes imposed by this Act as
7 required by this Act for all rentals, leases, and lettings
8 made through the short-term rental marketplace.

9 (c) For any rentals, leases, and lettings made through a
10 short-term rental marketplace involving 2 or more parties that
11 meet the definition of short-term rental marketplace
12 facilitator, nothing in this Act shall prohibit those parties
13 from making an agreement regarding which party shall be
14 responsible for collecting and remitting taxes imposed by this
15 Act, so long as the party so responsible is registered with the
16 State for the purposes of remitting the taxes imposed by this
17 Act. If the parties enter into an agreement described in this
18 subsection, the party that agrees to collect and remit the
19 taxes imposed by this Act shall be the sole party liable for
20 the taxes imposed by this Act, and the other parties to the
21 agreement are not liable for the tax. Any party subject to such
22 an agreement must keep a copy of the agreement in its books and
23 records and provide a copy to the Department upon request.

24 (d) A short-term rental marketplace facilitator is subject
25 to audit on all short-term rental marketplace rentals, leases,
26 and lettings for which it is the short-term rental operator

1 but shall not be liable for tax or subject to audit on rentals,
2 leases, or lettings made by short-term rental marketplace
3 operators outside of the short-term rental marketplace.

4 (e) Nothing in this Act shall allow the Department to
5 collect short-term rental excise taxes from both the
6 short-term rental marketplace facilitator and the short-term
7 rental operator on the same transaction.

8 Section 20. Sunset of exemptions, credits, and deductions.
9 The application of every exemption, credit, and deduction
10 against the tax imposed by this Act shall be limited by a
11 reasonable and appropriate sunset date. A taxpayer is not
12 entitled to tax the exemption, credit, or deduction beginning
13 on the sunset date and thereafter. If a reasonable and
14 appropriate sunset date is not specified in the Public Act
15 that creates the exemption, credit, or deduction, a taxpayer
16 shall not be entitled to take the exemption, credit, or
17 deduction beginning 5 years after the effective date of the
18 Public Act creating the exemption, credit, or deduction and
19 thereafter.

20 Section 25. Books and records. Every short-term rental
21 operator, every short-term rental marketplace facilitator that
22 is required to collect and remit the tax under this Act, and
23 every renter making direct tax payments to the Department
24 under this Act, shall keep separate books or records of his

1 business as a short-term rental operator or short-term rental
2 marketplace facilitator so as to show the rents and
3 occupancies taxable under this Act separately from his
4 transactions that are not taxable under this Act. A short-term
5 rental operator's books and records shall also include
6 certificates provided by the short-term rental marketplace
7 facilitator under paragraph (2) of subsection (b) of Section
8 15 of this Act for all rentals, leases, and lettings made
9 through a short-term rental marketplace in accordance with the
10 requirements of this Act. If any short-term rental operator or
11 short-term rental marketplace facilitator fails to keep such
12 separate books or records, that short-term rental operator or
13 short-term rental marketplace facilitator shall be liable for
14 the tax at the rate designated in Section 10 of this Act upon
15 the entire proceeds from the short-term rental operator's or
16 short-term rental marketplace facilitator's business. The
17 Department may adopt rules that establish requirements,
18 including record forms and formats, for records required to be
19 kept and maintained by short-term rental operators and
20 short-term rental marketplace facilitators. For purposes of
21 this Section, "records" means all data maintained by the
22 short-term rental operator or short-term rental marketplace
23 facilitator, including data on paper, microfilm, microfiche or
24 any type of machine-sensible data compilation.

25 Section 30. Certificate of registration. It shall be

1 unlawful for any person to engage in business as a short-term
2 rental operator in this State without a certificate of
3 registration from the Department. A certificate of
4 registration issued to the short-term rental operator under
5 the Hotel Operators' Occupation Tax Act shall enable the
6 person to engage in business as a short-term rental operator
7 under this Act without the necessity of registering
8 separately.

9 All of the provisions of Sections 2a and 2b of the
10 Retailers' Occupation Tax Act, in effect on the effective date
11 of this Act, as subsequently amended, shall apply to
12 short-term rental operators to the same extent as if those
13 provisions were included in this Act.

14 Section 35. Tax collected as debt owed to State. Any
15 short-term rental operator required to collect the tax imposed
16 by this Act shall be liable to the Department for the tax,
17 whether or not the tax has been collected by the short-term
18 rental operator, and any such tax shall constitute a debt owed
19 by the short-term rental operator to this State. To the extent
20 that a short-term rental operator required to collect the tax
21 imposed by this Act has actually collected that tax, the tax is
22 held in trust for the benefit of the Department.

23 Section 40. Returns. Except as otherwise provided in this
24 Section, on or before the last day of each calendar month,

1 every person engaged in business as a short-term rental
2 operator in this State during the preceding calendar month
3 shall file a return with the Department, stating:

4 (1) the name of the short-term rental operator;

5 (2) the short-term rental operator's residence
6 address, the address of the short-term rental operator's
7 principal place of business, and the address of the
8 principal place of business (if that is a different
9 address) from which the short-term rental operator engages
10 in business as a short-term rental operator in this State
11 (including, if required by the Department, the address of
12 each short-term rental from which rental receipts were
13 received);

14 (3) the total amount of short-term rental receipts
15 received by the short-term rental operator during the
16 preceding calendar month;

17 (4) the total amount of exclusions from the short-term
18 rental excise tax allowed by this Act;

19 (5) the total amount of short-term rental excise tax
20 collected during the preceding calendar month from
21 renting, leasing, or letting short-term rentals during
22 such preceding calendar month;

23 (6) the amount of tax due; and

24 (7) such other reasonable information as the
25 Department may require.

26 If the short-term rental operator's average monthly tax

1 collected and due to the Department does not exceed \$200, the
2 Department may authorize the short-term rental operator's
3 returns to be filed on a quarter annual basis, with the return
4 for January, February and March of a given year being due by
5 April 30 of such year; with the return for April, May and June
6 of a given year being due by July 31 of such year; with the
7 return for July, August and September of a given year being due
8 by October 31 of such year, and with the return for October,
9 November and December of a given year being due by January 31
10 of the following year.

11 If the short-term rental operator's average monthly tax
12 collected and due to the Department does not exceed \$50, the
13 Department may authorize the short-term rental operator's
14 returns to be filed on an annual basis, with the return for a
15 given year being due by January 31 of the following year.

16 Such quarter annual and annual returns, as to form and
17 substance, shall be subject to the same requirements as
18 monthly returns.

19 Notwithstanding any other provision in this Act concerning
20 the time within which a short-term rental operator may file
21 the short-term rental operator's return, in the case of any
22 short-term rental operator who ceases to engage in a kind of
23 business that makes the short-term rental operator responsible
24 for filing returns under this Act, such short-term rental
25 operator shall file a final return under this Act with the
26 Department not more than one month after discontinuing such

1 business.

2 Where the same person has more than one business
3 registered with the Department under separate registrations
4 under this Act, such person shall not file each return that is
5 due as a single return covering all such registered
6 businesses, but shall file separate returns for each such
7 registered business.

8 In the return, the short-term rental operator shall
9 determine the value of any consideration other than money
10 received by him in connection with engaging in business as a
11 short-term rental operator and the short-term rental operator
12 shall include such value in the short-term rental operator's
13 return. Such determination shall be subject to review and
14 revision by the Department in the manner provided for the
15 correction of returns.

16 Where the short-term rental operator is a corporation, the
17 return filed on behalf of such corporation shall be signed by
18 the president, vice-president, secretary or treasurer or by
19 the properly accredited agent of such corporation.

20 The person filing the return shall, at the time of filing
21 the return, pay to the Department the amount of tax imposed and
22 collected under this Act. The short-term rental operator
23 filing the return shall, at the time of filing, pay to the
24 Department the amount of tax collected under this Act less a
25 discount of 2.1% or \$25 per calendar year, whichever is
26 greater, which is allowed to reimburse the short-term rental

1 operator for the expenses incurred in keeping records,
2 preparing and filing returns, remitting the tax and supplying
3 data to the Department on request.

4 If any payment provided for in this Section exceeds the
5 short-term rental operator's liabilities under this Act, as
6 shown on an original return, the Department may authorize the
7 short-term rental operator to credit such excess payment
8 against liability subsequently to be remitted to the
9 Department under this Act, in accordance with reasonable rules
10 adopted by the Department. If the Department subsequently
11 determines that all or any part of the credit taken was not
12 actually due to the short-term rental operator, the short-term
13 rental operator's discount shall be reduced by an amount equal
14 to the difference between the discount as applied to the
15 credit taken and that actually due, and that short-term rental
16 operator shall be liable for penalties and interest on such
17 difference.

18 If a short-term rental marketplace facilitator is required
19 to collect and remit the tax under this Act, the provisions of
20 this Section apply to the short-term rental marketplace
21 facilitator as if the short-term rental marketplace
22 facilitator had been the short-term rental operator.

23 Section 45. Incorporation of Retailers' Occupation Tax Act
24 and Uniform Penalty and Interest Act. All of the provisions of
25 Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b,

1 6c, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation Tax Act
2 and Section 3-7 of the Uniform Penalty and Interest Act that
3 are not inconsistent with this Act shall apply to the renting,
4 leasing, or letting of short-term rentals in this State to the
5 same extent as if such provisions were included in this Act.
6 References in those incorporated Sections of the Retailers'
7 Occupation Tax Act to retailers, sellers, or persons engaged
8 in the business of selling tangible personal property mean
9 short-term rental operators. References in those incorporated
10 Sections of the Retailers' Occupation Tax Act to purchasers of
11 tangible personal property mean renters of short-term rentals.
12 References in those incorporated Sections of the Retailers'
13 Occupation Tax Act to sales of tangible personal property mean
14 the act or privilege of renting, leasing, or letting
15 short-term rentals as defined in this Act.

16 Section 50. Allocation of proceeds. All of the net revenue
17 realized from the tax imposed under this Act for the preceding
18 month shall be deposited each month into the Community Land
19 Trust Fund.

20 Section 55. Tax paid by renter. If a renter does not pay
21 the tax imposed by this Act to a short-term rental operator or
22 short-term rental marketplace facilitator, that renter shall
23 file a return with the Department and pay the tax upon that
24 portion of gross charges so paid to the short-term rental

1 operator during the preceding calendar month no later than the
2 last day of the month following that month. Those returns
3 shall be filed on a form prescribed by the Department and shall
4 contain such information as the Department may reasonably
5 require.

6 If a renter pays a tax imposed by this Act directly to the
7 Department, the Department (upon request from the renter)
8 shall issue an appropriate receipt to the renter showing that
9 the renter has paid the tax to the Department. That receipt
10 shall be sufficient to relieve the renter from further
11 liability for the amount of tax to which such receipt may
12 refer.

13 If it appears that an amount of tax or penalty or interest
14 under this Act has been paid in error to the Department by a
15 renter, as distinguished from the short-term rental operator
16 or short-term rental marketplace facilitator, whether such
17 amount be paid through a mistake of fact or an error of law,
18 that renter may file a claim for credit or refund with the
19 Department.

20 Section 60. Penalties. Any short-term rental operator,
21 short-term rental marketplace facilitator, or renter who fails
22 to make a return, or who makes a fraudulent return, or who
23 willingly violates any other provision of this Act or any rule
24 or regulation of the Department for the administration and
25 enforcement of this Act, is guilty of a Class 4 felony.

1 Section 65. Rulemaking. The Department shall adopt rules
2 to implement and administer this Act. The Department may adopt
3 rules in accordance with the Illinois Administrative Procedure
4 Act and prescribe forms relating to the administration and
5 enforcement of this Article as it deems appropriate.

6 Section 70. Illinois Administrative Procedure Act adopted.
7 The Illinois Administrative Procedure Act is hereby expressly
8 adopted and shall apply to all administrative rules and
9 procedures of the Department of Revenue under this Act, except
10 that: (1) paragraph (b) of Section 501 of the Illinois
11 Administrative Procedure Act does not apply to final orders,
12 decisions and opinions of the Department; (2) subparagraph
13 (a)2 of Section 5-10 of the Illinois Administrative Procedure
14 Act does not apply to forms established by the Department for
15 use under this Act; and (3) the provisions of Section 10-45 of
16 the Illinois Administrative Procedure Act regarding proposals
17 for decisions are excluded and not applicable to the
18 Department under this Act to the extent Section 10-45 applies
19 to hearings not otherwise subject to the Illinois Independent
20 Tax Tribunal Act of 2012.

21 Section 900. The Illinois Housing Development Act is
22 amended by adding Section 32.5 as follows:

1 (20 ILCS 3805/32.5 new)

2 Sec. 32.5. Community land trust program support. The
3 Authority shall ensure that program staff have expertise in
4 the community land trust model and shall implement procedures
5 that remove barriers to the timely and effective execution of
6 approved community land trust projects.

7 Section 905. The State Finance Act is amended by adding
8 Sections 5.1038 and 6z-149 as follows:

9 (30 ILCS 105/5.1038 new)

10 Sec. 5.1038. The Community Land Trust Fund.

11 (30 ILCS 105/6z-149 new)

12 Sec. 6z-149. The Community Land Trust Fund; creation. The
13 Community Land Trust Fund is created as a special fund in the
14 State treasury. The Fund may accept moneys from any lawful
15 source. Any interest earned on moneys in the Fund shall be
16 deposited into the Fund. Moneys in the Fund shall be used by
17 the Illinois Housing Development Authority for development,
18 staffing, and capacity building and technical assistance
19 related to community land trusts in the State. As used in this
20 Section, "community land trust" has the meaning given to that
21 term in the Community Land Trust Home Ownership Act.

22 Section 910. The Property Tax Code is amended by adding

1 Section 15-77 as follows:

2 (35 ILCS 200/15-77 new)

3 Sec. 15-77. Community land trusts. Beginning in taxable
4 year 2027, property that is owned by a non-profit community
5 land trust, as defined in the Community Land Trust Home
6 Ownership Act, and that is used exclusively for the creation
7 and maintenance of permanently affordable owner occupied
8 single-family or multifamily residences is exempt beginning
9 with the taxable year in which the property is acquired by the
10 community land trust and continuing through the taxable year
11 in which the property is sold to a homeowner.

12 Section 920. The Community Land Trust Home Ownership Act
13 is amended by changing Section 15 as follows:

14 (310 ILCS 130/15)

15 Sec. 15. Definitions. As used in this Act:

16 "501(c)(3) organization" means a nonprofit organization
17 that is exempt or qualified for exemption from taxation under
18 Section 501(c)(3) of the Internal Revenue Code of 1986.

19 "Community land trust" means a 501(c)(3) organization that
20 has as its primary purposes the creation and maintenance of
21 permanently affordable single-family or multifamily residences
22 subject to all of the following criteria:

23 (1) All single-family residences or multifamily

1 residences located on the land owned by the 501(c)(3)
2 organization or its wholly owned subsidiary must be
3 either:

4 (A) sold to a buyer who is qualified under the
5 community land trust's program rules and occupied as
6 the qualified buyer's primary residence; or

7 (B) rented to a person or persons whose household
8 income does not exceed the maximum allowable gross
9 household income, as determined by the community land
10 trust, for that dwelling or unit.

11 (2) Land that is owned by the 501(c)(3) organization
12 and that contains a single-family residence or multifamily
13 residence that is sold to a qualified buyer described in
14 subparagraph (A) of paragraph (1) shall be leased to the
15 qualified buyer for the buyer's convenient occupation and
16 use, subject to a ground lease with affordability
17 restrictions, for a renewable term of 99 years for the
18 purpose of maintaining dwellings or units that are
19 permanently affordable.

20 (3) In the case of dwellings or units that are part of
21 a condominium, cooperative, or other common interest
22 development and that are located on land that is owned by a
23 homeowners' association or a person other than the
24 community land trust, the condominium unit or interest
25 owned by the community land trust shall be sold to a
26 qualified buyer for the buyer's convenient occupation and

1 use, subject to a deed restriction or affordability
2 covenant that incorporates affordability restrictions for
3 a renewable term of at least 99 years and that is recorded
4 against the unit or interest for the purpose of
5 maintaining dwellings or units that are permanently
6 affordable. ~~governed by a board of community land trusts~~
7 ~~residents, community residents, and public representatives~~
8 ~~that provide permanent or long term affordability and~~
9 ~~shared equity homeownership opportunities.~~

10 (Source: P.A. 104-370, eff. 8-15-25.)

11 Section 999. Effective date. This Act takes effect upon
12 becoming law.".