

SB3425



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3425

Introduced 2/4/2026, by Sen. Sue Rezin

SYNOPSIS AS INTRODUCED:

35 ILCS 5/204

from Ch. 120, par. 2-204

Amends the Illinois Income Tax Act. Provides that, for taxable years beginning on or after January 1, 2026, the additional standard exemption for taxpayers who have attained the age of 65 before the end of the taxable year and their spouses is \$2,000 (currently, \$1,000). Effective immediately.

LRB104 19259 HLH 32705 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 Illinois Income Tax Act is amended by
5 changing Section 204 as follows:

6 (35 ILCS 5/204) (from Ch. 120, par. 2-204)

7 Sec. 204. Standard exemption.

8 (a) Allowance of exemption. In computing net income under
9 this Act, there shall be allowed as an exemption the sum of the
10 amounts determined under subsections (b), (c) and (d),
11 multiplied by a fraction the numerator of which is the amount
12 of the taxpayer's base income allocable to this State for the
13 taxable year and the denominator of which is the taxpayer's
14 total base income for the taxable year.

15 (b) Basic amount. For the purpose of subsection (a) of
16 this Section, except as provided by subsection (a) of Section
17 205 and in this subsection, each taxpayer shall be allowed a
18 basic amount of \$1000, except that for corporations the basic
19 amount shall be zero for tax years ending on or after December
20 31, 2003, and for individuals the basic amount shall be:

21 (1) for taxable years ending on or after December 31,
22 1998 and prior to December 31, 1999, \$1,300;

23 (2) for taxable years ending on or after December 31,

- 1 1999 and prior to December 31, 2000, \$1,650;
- 2 (3) for taxable years ending on or after December 31,
- 3 2000 and prior to December 31, 2012, \$2,000;
- 4 (4) for taxable years ending on or after December 31,
- 5 2012 and prior to December 31, 2013, \$2,050;
- 6 (5) for taxable years ending on or after December 31,
- 7 2013 and on or before December 31, 2022, \$2,050 plus the
- 8 cost-of-living adjustment under subsection (d-5);
- 9 (6) for taxable years ending on or after December 31,
- 10 2023 and prior to December 31, 2024, \$2,425;
- 11 (7) for taxable years ending on or after December 31,
- 12 2024 and on or before December 31, 2028, \$2,050 plus the
- 13 cost-of-living adjustment under subsection (d-5).

14 For taxable years ending on or after December 31, 1992, a

15 taxpayer whose Illinois base income exceeds the basic amount

16 and who is claimed as a dependent on another person's tax

17 return under the Internal Revenue Code shall not be allowed

18 any basic amount under this subsection.

19 (c) Additional amount for individuals. In the case of an

20 individual taxpayer, there shall be allowed for the purpose of

21 subsection (a), in addition to the basic amount provided by

22 subsection (b), an additional exemption equal to the basic

23 amount for each exemption in excess of one allowable to such

24 individual taxpayer for the taxable year under Section 151 of

25 the Internal Revenue Code.

26 (d) Additional exemptions for an individual taxpayer and

1 his or her spouse. In the case of an individual taxpayer and
2 his or her spouse, he or she shall each be allowed additional
3 exemptions as follows:

4 (1) Additional exemption for taxpayer or spouse 65
5 years of age or older.

6 (A) For taxpayer. If the taxpayer ~~An additional~~
7 ~~exemption of \$1,000 for the taxpayer if he or she~~ has
8 attained the age of 65 before the end of the taxable
9 year, then an additional exemption of (i) \$1,000 for
10 taxable years beginning prior to January 1, 2026 and
11 (ii) \$2,000 for taxable years beginning on or after
12 January 1, 2026.

13 (B) For spouse when a joint return is not filed. If
14 ~~An additional exemption of \$1,000 for the spouse of~~
15 ~~the taxpayer if~~ a joint return is not made by the
16 taxpayer and his spouse, and if the spouse has
17 attained the age of 65 before the end of such taxable
18 year, and, for the calendar year in which the taxable
19 year of the taxpayer begins, has no gross income and is
20 not the dependent of another taxpayer, then an
21 additional exemption of (i) \$1,000 for taxable years
22 beginning prior to January 1, 2026 and (ii) \$2,000 for
23 taxable years beginning on or after January 1, 2026.

24 (2) Additional exemption for blindness of taxpayer or
25 spouse.

26 (A) For taxpayer. An additional exemption of

1 \$1,000 for the taxpayer if he or she is blind at the
2 end of the taxable year.

3 (B) For spouse when a joint return is not filed. An
4 additional exemption of \$1,000 for the spouse of the
5 taxpayer if a separate return is made by the taxpayer,
6 and if the spouse is blind and, for the calendar year
7 in which the taxable year of the taxpayer begins, has
8 no gross income and is not the dependent of another
9 taxpayer. For purposes of this paragraph, the
10 determination of whether the spouse is blind shall be
11 made as of the end of the taxable year of the taxpayer;
12 except that if the spouse dies during such taxable
13 year such determination shall be made as of the time of
14 such death.

15 (C) Blindness defined. For purposes of this
16 subsection, an individual is blind only if his or her
17 central visual acuity does not exceed 20/200 in the
18 better eye with correcting lenses, or if his or her
19 visual acuity is greater than 20/200 but is
20 accompanied by a limitation in the fields of vision
21 such that the widest diameter of the visual fields
22 subtends an angle no greater than 20 degrees.

23 (d-5) Cost-of-living adjustment. For purposes of item (5)
24 of subsection (b), the cost-of-living adjustment for any
25 calendar year and for taxable years ending prior to the end of
26 the subsequent calendar year is equal to \$2,050 times the

1 percentage (if any) by which:

2 (1) the Consumer Price Index for the preceding
3 calendar year, exceeds

4 (2) the Consumer Price Index for the calendar year
5 2011.

6 The Consumer Price Index for any calendar year is the
7 average of the Consumer Price Index as of the close of the
8 12-month period ending on August 31 of that calendar year.

9 The term "Consumer Price Index" means the last Consumer
10 Price Index for All Urban Consumers published by the United
11 States Department of Labor or any successor agency.

12 If any cost-of-living adjustment is not a multiple of \$25,
13 that adjustment shall be rounded to the next lowest multiple
14 of \$25.

15 (e) Cross reference. See Article 3 for the manner of
16 determining base income allocable to this State.

17 (f) Application of Section 250. Section 250 does not apply
18 to the amendments to this Section made by Public Act 90-613.

19 (g) Notwithstanding any other provision of law, for
20 taxable years beginning on or after January 1, 2017, no
21 taxpayer may claim an exemption under this Section if the
22 taxpayer's adjusted gross income for the taxable year exceeds
23 (i) \$500,000, in the case of spouses filing a joint federal tax
24 return or (ii) \$250,000, in the case of all other taxpayers.

25 (Source: P.A. 103-9, eff. 6-7-23.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.