

SB3959



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3959

Introduced 2/6/2026, by Sen. Erica Harriss

SYNOPSIS AS INTRODUCED:

35 ILCS 5/246 new

Amends the Illinois Income Tax Act. Creates the Welcome Home Illinois tax credit. Provides that each taxpayer who is a first-time homebuyer of a principal residence in the State during the taxable year is entitled to an income tax credit in an amount equal to \$500. Effective immediately.

LRB104 18268 HLH 31707 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 adding Section 246 as follows:

6 (35 ILCS 5/246 new)

7 Sec. 246. Welcome Home Illinois tax credit.

8 (a) For taxable years beginning on or after January 1,
9 2027, each taxpayer who is a first-time homebuyer of a
10 principal residence in the State during the taxable year is
11 entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 in an amount equal to \$500. If 2 or
13 more individuals who are not married purchase a principal
14 residence, the amount of the credit allowed under this Section
15 shall be allocated among those individuals in such manner as
16 the Department may, by rule, prescribe. This Section does not
17 apply if the taxpayer disposes of the residence before the
18 close of the taxable year or if the residence ceases to be the
19 principal residence of the taxpayer before the close of the
20 taxable year.

21 (b) In no event shall a credit under this Section reduce
22 the taxpayer's liability to less than zero. If the amount of
23 the credit exceeds the tax liability for the year, the excess

1 may be carried forward and applied to the tax liability of the
2 5 taxable years following the excess credit year. The tax
3 credit shall be applied to the earliest year for which there is
4 a tax liability. If there are credits for more than one year
5 that are available to offset a liability, the earlier credit
6 shall be applied first.

7 (c) As used in this Section, "first-time homebuyer" means
8 an individual who acquires an ownership interest in the
9 individual's principal residence during the taxable year if
10 neither the individual nor the individual's spouse had a
11 present ownership interest in a principal residence during the
12 3-year period ending on the date of the purchase of the
13 principal residence to which this Section applies.

14 (d) This Section is exempt from the provisions of Section
15 250.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.