

HB2637



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB2637

Introduced 2/19/2021, by Rep. Steven Reick

SYNOPSIS AS INTRODUCED:

35 ILCS 5/208

from Ch. 120, par. 2-208

Amends the Illinois Income Tax Act. Provides that, if the amount of the credit for residential real property taxes exceeds the taxpayer's liability, that amount shall be refunded if the taxpayer is 65 years or older and has a federal adjusted gross income of not more than \$50,000. Provides that the credit is exempt from the Act's automatic sunset provision. Effective immediately.

LRB102 15741 HLH 21107 b

FISCAL NOTE ACT
MAY APPLY

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 208 as follows:

6 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

7 (Text of Section without the changes made by P.A. 101-8,
8 which did not take effect (see Section 99 of P.A. 101-8))

9 Sec. 208. Tax credit for residential real property taxes.
10 Beginning with tax years ending on or after December 31, 1991,
11 every individual taxpayer shall be entitled to a tax credit
12 equal to 5% of real property taxes paid by such taxpayer during
13 the taxable year on the principal residence of the taxpayer.
14 In the case of multi-unit or multi-use structures and farm
15 dwellings, the taxes on the taxpayer's principal residence
16 shall be that portion of the total taxes which is attributable
17 to such principal residence. Notwithstanding any other
18 provision of law, for taxable years beginning on or after
19 January 1, 2017, no taxpayer may claim a credit under this
20 Section if the taxpayer's adjusted gross income for the
21 taxable year exceeds (i) \$500,000, in the case of spouses
22 filing a joint federal tax return, or (ii) \$250,000, in the
23 case of all other taxpayers. This Section is exempt from the

1 provisions of Section 250.

2 For taxable years beginning on or after January 1, 2021,
3 if the amount of the credit exceeds the taxpayer's income tax
4 liability for the applicable tax year, then the excess credit
5 shall be refunded to the taxpayer if (i) the taxpayer is 65
6 years old or older and (ii) has a federal adjusted gross income
7 not greater than \$50,000. The amount of a refund shall not be
8 included in the taxpayer's income or resources for the
9 purposes of determining eligibility or benefit level in any
10 means-tested benefit program administered by a governmental
11 entity unless required by federal law.

12 (Source: P.A. 100-22, eff. 7-6-17.)

13 (Text of Section with the changes made by P.A. 101-8,
14 which did not take effect (see Section 99 of P.A. 101-8))

15 Sec. 208. Tax credit for residential real property taxes.
16 Beginning with ~~For~~ tax years ending on or after December 31,
17 1991 ~~and ending prior to December 31, 2021,~~ every individual
18 taxpayer shall be entitled to a tax credit equal to 5% of real
19 property taxes paid by such taxpayer during the taxable year
20 on the principal residence of the taxpayer. ~~For tax years~~
21 ~~ending on or after December 31, 2021, every individual~~
22 ~~taxpayer shall be entitled to a tax credit equal to 6% of real~~
23 ~~property taxes paid by such taxpayer during the taxable year~~
24 ~~on the principal residence of the taxpayer.~~ In the case of
25 multi-unit or multi-use structures and farm dwellings, the

1 taxes on the taxpayer's principal residence shall be that
2 portion of the total taxes which is attributable to such
3 principal residence. Notwithstanding any other provision of
4 law, for taxable years beginning on or after January 1, 2017,
5 no taxpayer may claim a credit under this Section if the
6 taxpayer's adjusted gross income for the taxable year exceeds
7 (i) \$500,000, in the case of spouses filing a joint federal tax
8 return, or (ii) \$250,000, in the case of all other taxpayers.
9 This Section is exempt from the provisions of Section 250.

10 ~~This Section is exempt from the provisions of Section 250.~~

11 For taxable years beginning on or after January 1, 2021,
12 if the amount of the credit exceeds the taxpayer's income tax
13 liability for the applicable tax year, then the excess credit
14 shall be refunded to the taxpayer if (i) the taxpayer is 65
15 years old or older and (ii) has a federal adjusted gross income
16 not greater than \$50,000. The amount of a refund shall not be
17 included in the taxpayer's income or resources for the
18 purposes of determining eligibility or benefit level in any
19 means-tested benefit program administered by a governmental
20 entity unless required by federal law.

21 (Source: P.A. 100-22, eff. 7-6-17; 101-8, see Section 99 for
22 effective date.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.