



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB2424

Introduced 2/4/2025, by Rep. Rita Mayfield

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Provides that, for the purpose of eligibility for the general homestead exemption, "homestead property" also includes property that is used by a person as his or her principal dwelling place and on which the person is liable for the payment of property taxes under a lease-to-purchase or a lease-option contract.

LRB104 09450 JRC 19510 b

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 Property Tax Code is amended by changing
5 Section 15-175 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption.

8 (a) Except as provided in Sections 15-176 and 15-177,
9 homestead property is entitled to an annual homestead
10 exemption limited, except as described here with relation to
11 cooperatives or life care facilities, to a reduction in the
12 equalized assessed value of homestead property equal to the
13 increase in equalized assessed value for the current
14 assessment year above the equalized assessed value of the
15 property for 1977, up to the maximum reduction set forth
16 below. If however, the 1977 equalized assessed value upon
17 which taxes were paid is subsequently determined by local
18 assessing officials, the Property Tax Appeal Board, or a court
19 to have been excessive, the equalized assessed value which
20 should have been placed on the property for 1977 shall be used
21 to determine the amount of the exemption.

22 (b) Except as provided in Section 15-176, the maximum
23 reduction before taxable year 2004 shall be \$4,500 in counties

1 with 3,000,000 or more inhabitants and \$3,500 in all other
2 counties. Except as provided in Sections 15-176 and 15-177,
3 for taxable years 2004 through 2007, the maximum reduction
4 shall be \$5,000, for taxable year 2008, the maximum reduction
5 is \$5,500, and, for taxable years 2009 through 2011, the
6 maximum reduction is \$6,000 in all counties. For taxable years
7 2012 through 2016, the maximum reduction is \$7,000 in counties
8 with 3,000,000 or more inhabitants and \$6,000 in all other
9 counties. For taxable years 2017 through 2022, the maximum
10 reduction is \$10,000 in counties with 3,000,000 or more
11 inhabitants and \$6,000 in all other counties. For taxable
12 years 2023 and thereafter, the maximum reduction is \$10,000 in
13 counties with 3,000,000 or more inhabitants, \$8,000 in
14 counties that are contiguous to a county of 3,000,000 or more
15 inhabitants, and \$6,000 in all other counties. If a county has
16 elected to subject itself to the provisions of Section 15-176
17 as provided in subsection (k) of that Section, then, for the
18 first taxable year only after the provisions of Section 15-176
19 no longer apply, for owners who, for the taxable year, have not
20 been granted a senior citizens assessment freeze homestead
21 exemption under Section 15-172 or a long-time occupant
22 homestead exemption under Section 15-177, there shall be an
23 additional exemption of \$5,000 for owners with a household
24 income of \$30,000 or less.

25 (c) In counties with fewer than 3,000,000 inhabitants, if,
26 based on the most recent assessment, the equalized assessed

1 value of the homestead property for the current assessment
2 year is greater than the equalized assessed value of the
3 property for 1977, the owner of the property shall
4 automatically receive the exemption granted under this Section
5 in an amount equal to the increase over the 1977 assessment up
6 to the maximum reduction set forth in this Section.

7 (d) If in any assessment year beginning with the 2000
8 assessment year, homestead property has a pro-rata valuation
9 under Section 9-180 resulting in an increase in the assessed
10 valuation, a reduction in equalized assessed valuation equal
11 to the increase in equalized assessed value of the property
12 for the year of the pro-rata valuation above the equalized
13 assessed value of the property for 1977 shall be applied to the
14 property on a proportionate basis for the period the property
15 qualified as homestead property during the assessment year.
16 The maximum proportionate homestead exemption shall not exceed
17 the maximum homestead exemption allowed in the county under
18 this Section divided by 365 and multiplied by the number of
19 days the property qualified as homestead property.

20 (d-1) In counties with 3,000,000 or more inhabitants,
21 where the chief county assessment officer provides a notice of
22 discovery, if a property is not occupied by its owner as a
23 principal residence as of January 1 of the current tax year,
24 then the property owner shall notify the chief county
25 assessment officer of that fact on a form prescribed by the
26 chief county assessment officer. That notice must be received

1 by the chief county assessment officer on or before March 1 of
2 the collection year. If mailed, the form shall be sent by
3 certified mail, return receipt requested. If the form is
4 provided in person, the chief county assessment officer shall
5 provide a date stamped copy of the notice. Failure to provide
6 timely notice pursuant to this subsection (d-1) shall result
7 in the exemption being treated as an erroneous exemption. Upon
8 timely receipt of the notice for the current tax year, no
9 exemption shall be applied to the property for the current tax
10 year. If the exemption is not removed upon timely receipt of
11 the notice by the chief assessment officer, then the error is
12 considered granted as a result of a clerical error or omission
13 on the part of the chief county assessment officer as
14 described in subsection (h) of Section 9-275, and the property
15 owner shall not be liable for the payment of interest and
16 penalties due to the erroneous exemption for the current tax
17 year for which the notice was filed after the date that notice
18 was timely received pursuant to this subsection. Notice
19 provided under this subsection shall not constitute a defense
20 or amnesty for prior year erroneous exemptions.

21 For the purposes of this subsection (d-1):

22 "Collection year" means the year in which the first and
23 second installment of the current tax year is billed.

24 "Current tax year" means the year prior to the collection
25 year.

26 (e) The chief county assessment officer may, when

1 considering whether to grant a leasehold exemption under this
2 Section, require the following conditions to be met:

3 (1) that a notarized application for the exemption,
4 signed by both the owner and the lessee of the property,
5 must be submitted each year during the application period
6 in effect for the county in which the property is located;

7 (2) that a copy of the lease must be filed with the
8 chief county assessment officer by the owner of the
9 property at the time the notarized application is
10 submitted;

11 (3) that the lease must expressly state that the
12 lessee is liable for the payment of property taxes; and

13 (4) that the lease must include the following language
14 in substantially the following form:

15 "Lessee shall be liable for the payment of real
16 estate taxes with respect to the residence in
17 accordance with the terms and conditions of Section
18 15-175 of the Property Tax Code (35 ILCS 200/15-175).
19 The permanent real estate index number for the
20 premises is (insert number), and, according to the
21 most recent property tax bill, the current amount of
22 real estate taxes associated with the premises is
23 (insert amount) per year. The parties agree that the
24 monthly rent set forth above shall be increased or
25 decreased pro rata (effective January 1 of each
26 calendar year) to reflect any increase or decrease in

1 real estate taxes. Lessee shall be deemed to be
2 satisfying Lessee's liability for the above mentioned
3 real estate taxes with the monthly rent payments as
4 set forth above (or increased or decreased as set
5 forth herein).".

6 In addition, if there is a change in lessee, or if the
7 lessee vacates the property, then the chief county assessment
8 officer may require the owner of the property to notify the
9 chief county assessment officer of that change.

10 This subsection (e) does not apply to leasehold interests
11 in property owned by a municipality.

12 (f) "Homestead property" under this Section includes
13 residential property that is occupied by its owner or owners
14 as his or their principal dwelling place, or that is a
15 leasehold interest on which a single family residence is
16 situated, which is occupied as a residence by a person who has
17 an ownership interest therein, legal or equitable or as a
18 lessee, and on which the person is liable for the payment of
19 property taxes. For taxable year 2026 and each taxable year
20 thereafter, "homestead property" also includes property that
21 is used by a person as his or her principal dwelling place and
22 on which the person is liable for the payment of property taxes
23 under a lease-to-purchase or a lease-option contract. For land
24 improved with an apartment building owned and operated as a
25 cooperative, the maximum reduction from the equalized assessed
26 value shall be limited to the increase in the value above the

1 equalized assessed value of the property for 1977, up to the
2 maximum reduction set forth above, multiplied by the number of
3 apartments or units occupied by a person or persons who is
4 liable, by contract with the owner or owners of record, for
5 paying property taxes on the property and is an owner of record
6 of a legal or equitable interest in the cooperative apartment
7 building, other than a leasehold interest. For land improved
8 with a life care facility, the maximum reduction from the
9 value of the property, as equalized by the Department, shall
10 be multiplied by the number of apartments or units occupied by
11 a person or persons, irrespective of any legal, equitable, or
12 leasehold interest in the facility, who are liable, under a
13 life care contract with the owner or owners of record of the
14 facility, for paying property taxes on the property. For
15 purposes of this Section, the term "life care facility" has
16 the meaning stated in Section 15-170.

17 "Household", as used in this Section, means the owner, the
18 spouse of the owner, and all persons using the residence of the
19 owner as their principal place of residence.

20 "Household income", as used in this Section, means the
21 combined income of the members of a household for the calendar
22 year preceding the taxable year.

23 "Income", as used in this Section, has the same meaning as
24 provided in Section 3.07 of the Senior Citizens and Persons
25 with Disabilities Property Tax Relief Act, except that
26 "income" does not include veteran's benefits.

1 (g) In a cooperative or life care facility where a
2 homestead exemption has been granted, the cooperative
3 association or the management of the cooperative or life care
4 facility shall credit the savings resulting from that
5 exemption only to the apportioned tax liability of the owner
6 or resident who qualified for the exemption. Any person who
7 willfully refuses to so credit the savings shall be guilty of a
8 Class B misdemeanor.

9 (h) Where married persons maintain and reside in separate
10 residences qualifying as homestead property, each residence
11 shall receive 50% of the total reduction in equalized assessed
12 valuation provided by this Section.

13 (i) In all counties, the assessor or chief county
14 assessment officer may determine the eligibility of
15 residential property to receive the homestead exemption and
16 the amount of the exemption by application, visual inspection,
17 questionnaire or other reasonable methods. The determination
18 shall be made in accordance with guidelines established by the
19 Department, provided that the taxpayer applying for an
20 additional general exemption under this Section shall submit
21 to the chief county assessment officer an application with an
22 affidavit of the applicant's total household income, age,
23 marital status (and, if married, the name and address of the
24 applicant's spouse, if known), and principal dwelling place of
25 members of the household on January 1 of the taxable year. The
26 Department shall issue guidelines establishing a method for

1 verifying the accuracy of the affidavits filed by applicants
2 under this paragraph. The applications shall be clearly marked
3 as applications for the Additional General Homestead
4 Exemption.

5 (i-5) This subsection (i-5) applies to counties with
6 3,000,000 or more inhabitants. In the event of a sale of
7 homestead property, the homestead exemption shall remain in
8 effect for the remainder of the assessment year of the sale.
9 Upon receipt of a transfer declaration transmitted by the
10 recorder pursuant to Section 31-30 of the Real Estate Transfer
11 Tax Law for property receiving an exemption under this
12 Section, the assessor shall mail a notice and forms to the new
13 owner of the property providing information pertaining to the
14 rules and applicable filing periods for applying or reapplying
15 for homestead exemptions under this Code for which the
16 property may be eligible. If the new owner fails to apply or
17 reapply for a homestead exemption during the applicable filing
18 period or the property no longer qualifies for an existing
19 homestead exemption, the assessor shall cancel such exemption
20 for any ensuing assessment year.

21 (j) In counties with fewer than 3,000,000 inhabitants, in
22 the event of a sale of homestead property the homestead
23 exemption shall remain in effect for the remainder of the
24 assessment year of the sale. The assessor or chief county
25 assessment officer may require the new owner of the property
26 to apply for the homestead exemption for the following

1 assessment year.

2 (k) Notwithstanding Sections 6 and 8 of the State Mandates
3 Act, no reimbursement by the State is required for the
4 implementation of any mandate created by this Section.

5 (l) The changes made to this Section by this amendatory
6 Act of the 100th General Assembly are effective for the 2018
7 tax year and thereafter.

8 (Source: P.A. 102-895, eff. 5-23-22.)