



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB4290

Introduced 12/20/05, by Rep. Ron Stephens

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/208

from Ch. 120, par. 2-208

Amends the Illinois Income Tax Act. Provides that, for tax years ending after December 31, 2005, the amount of the income tax credit for residential real property taxes is: (1) 5% of real property taxes paid by the taxpayer to a taxing body other than a school district during the tax year; plus (2) for taxable year 2006, 5% of the real property taxes paid by the taxpayer to a school district during the tax year and to be increased by 5% increments each year thereafter until the credit equals 100% of the real property taxes paid by the taxpayer to a school district during the tax year. Exempts the credit from the Act's sunset provisions. Effective immediately.

LRB094 15468 BDD 50663 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

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 and by adding Section 208.2 as follows:

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

7 Sec. 208. Tax credit for residential real property taxes.

8 (a) Beginning with tax years ending on or after December  
9 31, 1991 through tax years ending on or before December 31,  
10 2005, every individual taxpayer shall be entitled to a tax  
11 credit equal to 5% of real property taxes paid by such taxpayer  
12 during the taxable year on the principal residence of the  
13 taxpayer.

14 (b) For tax years ending after December 31, 2005, every  
15 individual taxpayer who has paid taxes during the tax year on  
16 the principal residence of the taxpayer is entitled to a tax  
17 credit equal to:

18 (1) 5% of real property taxes paid by the taxpayer to a  
19 taxing body other than a school district during the tax  
20 year; plus

21 (2) For taxable year 2006, 5% of the real property  
22 taxes paid by the taxpayer to a school district during the  
23 tax year and, for each taxable year thereafter, this  
24 percentage of the real property taxes paid by the taxpayer  
25 to a school district must be increased by 5% per year (for  
26 example, to 10% for taxable year 2007 and to 15% for 2008)  
27 until the credit equals 100% of the real property taxes  
28 paid by the taxpayer to a school district during the tax  
29 year.

30 (c) In the case of multi-unit or multi-use structures and  
31 farm dwellings, the taxes on the taxpayer's principal residence  
32 shall be that portion of the total taxes which is attributable

1 to such principal residence.

2 (d) This Section is exempt from the provisions of Section  
3 250.

4 (Source: P.A. 87-17.)

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.