

HB1878



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB1878

Introduced 1/29/2025, by Rep. Travis Weaver

SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1031

from Ch. 34, par. 5-1031

55 ILCS 5/5-1031.1

Amends the Counties Code. Provides that county recorders and registrars of title are required to accept payment of real estate transfer taxes by credit card. Provides that all service charges or fees associated with the processing or accepting of such a credit card payment shall be paid by the taxpayer.

LRB104 09697 HLH 19763 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 Counties Code is amended by changing
5 Sections 5-1031 and 5-1031.1 as follows:

6 (55 ILCS 5/5-1031) (from Ch. 34, par. 5-1031)

7 Sec. 5-1031. County real estate transfer tax.

8 (a) The county board of a county may impose a tax upon the
9 privilege of transferring title to real estate, as represented
10 by the deed that is filed for recordation, and upon the
11 privilege of transferring a beneficial interest in a land
12 trust holding legal title to real estate located in such
13 county as represented by the trust document that is filed for
14 recordation, at the rate of 25 cents for each \$500 of value or
15 fraction thereof stated in the declaration required by Section
16 31-25 of the Property Tax Code. If, however, the real estate is
17 transferred subject to a mortgage, the amount of the mortgage
18 remaining outstanding at the time of transfer shall not be
19 included in the basis of computing the tax.

20 A tax imposed pursuant to this Section shall be collected
21 by the recorder or registrar of titles of the county prior to
22 recording the deed or trust document or registering the title
23 subject to the tax. All deeds or trust documents exempted in

1 Section 31-45 of the Property Tax Code shall also be exempt
2 from any tax imposed pursuant to this Section. A tax imposed
3 pursuant to this Section shall be in addition to all other
4 occupation and privilege taxes imposed by the State of
5 Illinois or any municipal corporation or political subdivision
6 thereof.

7 (b) The county board may impose a tax at the same rate on
8 the transfer of a beneficial interest, as defined in Section
9 31-5 of the Property Tax Code. If, however, the transferring
10 document states that the real estate or beneficial interest is
11 transferred subject to a mortgage, then the amount of the
12 mortgage remaining outstanding at the time of transfer shall
13 not be included in the basis of computing the tax.

14 The tax must be paid at the time of recordation or, if a
15 document is not recorded, at the time of presentation of the
16 transfer declaration to the recorder, as provided in Section
17 31-25 of the Property Tax Code. All deeds or documents
18 relating to the transfer of a beneficial interest exempted in
19 Sections 31-45 or 31-46 of the Property Tax Code are also
20 exempt from any tax imposed under this Section. A tax imposed
21 under this Section is in addition to all other occupation and
22 privilege taxes imposed by the State of Illinois or any
23 municipal corporation or political subdivision thereof.

24 (c) Beginning June 1, 2005, a tax imposed under this
25 Section is due if the transfer is made by one or more related
26 transactions or involves one or more persons or entities,

1 regardless of whether a document is recorded.

2 (d) Notwithstanding any other provision of law, each
3 county recorder or registrar of titles is required to accept
4 payment of the tax imposed under this Section by credit card;
5 however, all service charges or fees associated with the
6 processing or accepting of such a credit card payment shall be
7 paid by the taxpayer.

8 (Source: P.A. 93-1099, eff. 6-1-05.)

9 (55 ILCS 5/5-1031.1)

10 Sec. 5-1031.1. Home rule real estate transfer taxes.

11 (a) After the effective date of this amendatory Act of the
12 93rd General Assembly and subject to this Section, a home rule
13 county may impose or increase a tax or other fee on the
14 privilege of transferring title to real estate, on the
15 privilege of transferring a beneficial interest in real
16 property, and on the privilege of transferring a controlling
17 interest in a real estate entity, as the terms "beneficial
18 interest", "controlling interest", and "real estate entity"
19 are defined in Article 31 of the Property Tax Code. Such a tax
20 or other fee shall hereafter be referred to as a real estate
21 transfer tax.

22 (b) Before adopting a resolution to submit the question of
23 imposing or increasing a real estate transfer tax to
24 referendum, the corporate authorities shall give public notice
25 of and hold a public hearing on the intent to submit the

1 question to referendum. This hearing may be part of a
2 regularly scheduled meeting of the corporate authorities. The
3 notice shall be published not more than 30 nor less than 10
4 days prior to the hearing in a newspaper of general
5 circulation within the county. The notice shall be published
6 in the following form:

Notice of Proposed (Increased) Real Estate Transfer
Tax for (commonly known name of county).

9 A public hearing on a resolution to submit to
10 referendum the question of a proposed (increased) real
11 estate transfer tax for (legal name of the county) in an
12 amount of (rate) to be paid by the buyer (seller) of the
13 real estate transferred will be held on (date) at (time)
14 at (location). The current rate of real estate transfer
15 tax imposed by (name of county) is (rate).

Any person desiring to appear at the public hearing and present testimony to the taxing district may do so.

18 (c) A notice that includes any information not specified
19 and required by this Section is an invalid notice. All
20 hearings shall be open to the public. At the public hearing,
21 the corporate authorities of the county shall explain the
22 reasons for the proposed or increased real estate transfer tax
23 and shall permit persons desiring to be heard an opportunity
24 to present testimony within reasonable time limits determined
25 by the corporate authorities. A copy of the proposed ordinance
26 shall be made available to the general public for inspection

1 before the public hearing.

2 (d) No home rule county shall impose a new real estate
3 transfer tax after the effective date of this amendatory Act
4 of 1996 without prior approval by referendum. No home rule
5 county shall impose an increase of the rate of a current real
6 estate transfer tax without prior approval by referendum. A
7 home rule county may impose a new real estate transfer tax or
8 may increase an existing real estate transfer tax with prior
9 referendum approval. The referendum shall be conducted as
10 provided in subsection (e). An existing ordinance or
11 resolution imposing a real estate transfer tax may be amended
12 without approval by referendum if the amendment does not
13 increase the rate of the tax or add transactions on which the
14 tax is imposed.

15 (e) The home rule county shall, by resolution, provide for
16 submission of the proposition to the voters. The home rule
17 county shall certify the resolution and the proposition to the
18 proper election officials in accordance with the general
19 election law. If the proposition is to impose a new real estate
20 transfer tax, it shall be in substantially the following form:
21 "Shall (name of county) impose a real estate transfer tax at a
22 rate of (rate) to be paid by the buyer (seller) of the real
23 estate transferred, with the revenue of the proposed transfer
24 tax to be used for (purpose)?". If the proposition is to
25 increase an existing real estate transfer tax, it shall be in
26 the following form: "Shall (name of county) impose a real

1 estate transfer tax increase of (percent increase) to
2 establish a new real estate transfer tax rate of (rate) to be
3 paid by the buyer (seller) of the real estate transferred? The
4 current rate of the real estate transfer tax is (rate), and the
5 revenue is used for (purpose). The revenue from the increase
6 is to be used for (purpose).".

7 If a majority of the electors voting on the proposition
8 vote in favor of it, the county may impose or increase the real
9 estate transfer tax.

10 (f) Nothing in this amendatory Act of 1996 shall limit the
11 purposes for which real estate transfer tax revenues may be
12 collected or expended.

13 (g) A home rule county may not impose real estate transfer
14 taxes other than as authorized by this Section. This Section
15 is a denial and limitation of home rule powers and functions
16 under subsection (g) of Section 6 of Article VII of the
17 Illinois Constitution.

18 (h) Notwithstanding subsection (g) of this Section, any
19 real estate transfer taxes adopted by a county at any time
20 prior to January 17, 1997 (the effective date of Public Act
21 89-701) and any amendments to any existing real estate
22 transfer tax ordinance adopted after that date, in accordance
23 with the law in effect at the time of the adoption of the
24 amendments, are not preempted by this amendatory Act of the
25 93rd General Assembly.

26 (i) Notwithstanding any other provision of law, each

1 county recorder or registrar of titles is required to accept
2 payment of the tax imposed under this Section by credit card;
3 however, all service charges or fees associated with the
4 processing or accepting of such a credit card payment shall be
5 paid by the taxpayer.

6 (Source: P.A. 93-657, eff. 6-1-04.)