



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB1906

Introduced 1/29/2025, by Rep. Jennifer Sanalitra

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172.1 new

Amends the Property Tax Code. Creates a senior citizens homestead school levy exemption for property that is improved with a permanent structure that is occupied as a primary residence by an applicant who (i) is 65 years of age or older during the taxable year, (ii) has a household income that does not exceed the maximum income limitation, (iii) is liable for paying real property taxes on the property, (iv) is an owner of record of the property or has a legal or equitable interest in the property as evidenced by a written instrument, if no individual residing at the real property is or will be enrolled in a public school. Effective immediately.

LRB104 07491 HLH 17534 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 adding
5 Section 15-172.1 as follows:

6 (35 ILCS 200/15-172.1 new)

7 Sec. 15-172.1. Senior Citizens Homestead Exemption School
8 Levy Cap Law.

9 (a) This Section may be cited as the Senior Citizens
10 Homestead Exemption School Levy Cap Law.

11 (b) As used in this Section:

12 "Applicant" means an individual who has filed an
13 application under this Section.

14 "Base year" means the taxable year for which the applicant
15 first qualifies and applies for the exemption, provided that,
16 in the taxable year immediately preceding that taxable year,
17 the property was improved with a permanent structure that was
18 occupied as the primary residence by an applicant who was
19 liable for paying real property taxes on the property and who
20 was either (i) an owner of record of the property or had a
21 legal or equitable interest in the property as evidenced by a
22 written instrument or (ii) had a legal or equitable interest
23 as a lessee in the parcel of property that was a single-family

1 residence and that lease obligates the lessee to pay property
2 taxes on the parcel.

3 "Base year applicable K-12 school salary levy" means the
4 aggregate tax levy share applied to the property in the base
5 year pursuant to Section 17-2 of the School Code that derives
6 from: (i) faculty salaries and benefits; (ii) administrator
7 salaries and benefits; and (iii) classified staff salaries and
8 benefits.

9 "Chief county assessment officer" means the County
10 Assessor or Supervisor of Assessments of the county in which
11 the property is located.

12 "Consumer Price Index-u" means the index published by the
13 Bureau of Labor Statistics of the United States Department of
14 Labor that measures the average change in prices of goods and
15 services purchased by all urban consumers, United States city
16 average, all items, 1982-84 = 100.

17 "Equalized assessed value" means the assessed value of the
18 property as equalized by the Department of Revenue.

19 "Household" means the applicant, the spouse of the
20 applicant, and all persons using the residence of the
21 applicant as their principal place of residence.

22 "Household income" means the combined income of the
23 members of a household for the calendar year preceding the
24 taxable year.

25 "Income" has the same meaning as provided in Section 3.07
26 of the Senior Citizens and Persons with Disabilities Property

1 Tax Relief Act, except that "income" does not include
2 veteran's benefits.

3 "Incremental K-12 school salary levy" means for any year
4 after the base year, the aggregate tax levy share applied to
5 the property pursuant to Section 17-2 that exceeds the base
6 year applicable K-12 school salary levy and derives from: (i)
7 faculty salaries and benefits; (ii) administrator salaries and
8 benefits; and (iii) classified staff salaries and benefits.

9 "Incremental K-12 school salary levy exemption amount"
10 means the incremental K-12 school salary levy exemption
11 calculated for that tax year.

12 "Internal Revenue Code of 1986" means the United States
13 Internal Revenue Code of 1986 or any successor law or laws
14 relating to federal income taxes in effect for the year
15 preceding the taxable year.

16 "Life care facility that qualifies as a cooperative" means
17 a facility as defined in Section 2 of the Life Care Facilities
18 Act.

19 "Maximum income limitation" means, for taxable year 2026,
20 \$100,000. "Maximum income limitation" means, for taxable year
21 2027 and each taxable year thereafter, the maximum income
22 limitation for the immediately preceding taxable year,
23 multiplied by one plus the lesser of (i) the percentage
24 increase, if any, in the Consumer Price Index-u during the
25 immediately preceding taxable year or (ii) 2%. The product
26 generated when determining the maximum income limitation for

1 taxable year 2027 and each taxable year thereafter shall be
2 rounded to the nearest whole dollar.

3 "Qualified applicant" means a person who:

4 (1) is 65 years of age or older during the taxable
5 year;

6 (2) has a household income that does not exceed the
7 maximum income limitation for the applicable taxable year;

8 (3) is liable for paying real property taxes on the
9 property; and

10 (4) is an owner of record of the property or has a
11 legal, equitable, or leasehold interest in the property,
12 as evidenced by a written instrument.

13 "Qualified property: means real property that is improved
14 with a permanent structure and:

15 (1) is not occupied as a permanent residence by a
16 person who is or will be enrolled in a school district that
17 is eligible to place a levy on the property pursuant to
18 Section 17-2 of the School Code; and

19 (2) is occupied as a primary residence by a qualified
20 applicant.

21 "Residence" means a principal dwelling place and
22 appurtenant structures used for residential purposes in this
23 State that is occupied on January 1 of the taxable year by a
24 household, and so much of the surrounding land constituting
25 the parcel upon which the dwelling place is situated as is used
26 for residential purposes. If the chief county assessment

1 officer has established a specific legal description for a
2 portion of property constituting the residence, then that
3 portion of property shall be deemed the residence for the
4 purposes of this Section.

5 "Retirement age base amount" means the base year equalized
6 assessed value of a residence as of the year the first
7 homeowner of the residence, who has resided in the residence
8 as a primary residence for a period of at least 5 years, turns
9 age 65.

10 "Taxable year" means the calendar year during which ad
11 valorem property taxes payable in the next succeeding year are
12 levied.

13 (c) Beginning in taxable year 2026, a senior citizens
14 homestead school levy exemption is granted for qualified
15 property.

16 (d) In counties with 3,000,000 or more inhabitants, the
17 amount of the exemption for all taxable years for qualifying
18 property is the incremental K-12 school salary levy exemption
19 amount, which may be reduced by an amount not to exceed the
20 percentage increase, if any, in the Consumer Price Index-u for
21 the immediately preceding taxable year. In all other counties,
22 the amount of the exemption for qualifying residents is the
23 Incremental K-12 school salary levy exemption amount, provided
24 that the Incremental K-12 school salary levy exemption amount
25 may be reduced by 1% per year, provided that the total
26 Incremental K-12 school salary levy does not exceed 2% of the

1 fair market value of the property.

2 (e) If the applicant is the surviving spouse of a person
3 who dies on or after January 1, 2026, and if the deceased
4 spouse was a qualified applicant at the time of his or her
5 death, then the exemption shall carry over to the benefit of
6 the surviving spouse if (i) the surviving spouse meets the
7 definition of a qualified applicant in the current taxable
8 year, without regard to whether the surviving spouse has
9 reached the age of 65, (ii) the surviving spouse continues to
10 occupy the property as a primary residence in the current
11 taxable year, and (iii) no individual residing at the real
12 property is or will be enrolled in a school district that is
13 eligible to place a levy on the property pursuant to Section
14 17-2 of the School Code.

15 (f) Each year at the time the assessment books are
16 certified to the county clerk, the board of review shall give
17 to the county clerk a list of the assessed values of
18 improvements on each parcel qualifying for this exemption that
19 were added after the base year for this parcel and that
20 increased the assessed value of the property. In the case of
21 land improved with an apartment building owned and operated as
22 a cooperative or a building that is a life care facility that
23 qualifies as a cooperative, the maximum reduction from the
24 equalized assessed value of the property is limited to the sum
25 of the reductions calculated for each unit that (i) is
26 occupied as a residence by a qualified applicant or by the

1 surviving spouse of qualified applicant who is eligible for
2 the exemption under this Section as provided in subsection (e)
3 and (ii) is not occupied as a permanent residence by a person
4 who is or will be enrolled in a school district that is
5 eligible to place a levy on the property pursuant to Section
6 17-2 of the School Code. In the case of a cooperative where a
7 homestead exemption has been granted under this Section, the
8 cooperative association or its management firm shall credit
9 the savings resulting from that exemption only to the
10 apportioned tax liability of the owner who qualified for the
11 exemption. Any person who willfully refuses to credit that
12 savings to an owner who qualifies for the exemption is guilty
13 of a Class B misdemeanor. When a homestead exemption has been
14 granted under this Section and an applicant then becomes a
15 resident of a facility licensed under the Assisted Living and
16 Shared Housing Act, the Nursing Home Care Act, the Specialized
17 Mental Health Rehabilitation Act of 2013, the ID/DD Community
18 Care Act, or the MC/DD Act, the exemption shall be granted in
19 subsequent years so long as the residence (i) continues to be
20 occupied by the qualified applicant's spouse or (ii) if
21 remaining unoccupied, is still owned by the qualified
22 applicant for the homestead exemption, and no individual
23 residing at the real property is or will be enrolled in a
24 school district that is eligible to place a levy on the
25 property pursuant to Section 17-2 of the School Code.

26 When married persons maintain separate residences, the

1 exemption provided for in this Section may be claimed by only
2 one of such persons and for only one residence, and provided
3 that no individual residing at the real property is or will be
4 enrolled in a school district that is eligible to place a levy
5 on the property pursuant to Section 17-2 of the School Code.
6 For taxable year 2026, in counties having less than 3,000,000
7 inhabitants, to receive the exemption, a person shall submit
8 an application by February 15, 2026 to the chief county
9 assessment officer of the county in which the property is
10 located. In counties having 3,000,000 or more inhabitants, for
11 taxable year 2027 and all subsequent taxable years, to receive
12 the exemption, a person may submit an application to the Chief
13 County Assessment Officer of the county in which the property
14 is located during such period as may be specified by the Chief
15 County Assessment officer. The Chief County Assessment Officer
16 in counties of 3,000,000 or more inhabitants shall annually
17 give notice of the application period by mail or by
18 publication. In counties having less than 3,000,000
19 inhabitants, beginning with taxable year 2027 and thereafter,
20 a county may, by ordinance, establish a date for submission of
21 applications that is different than February 15. The applicant
22 shall submit with the application an affidavit of the
23 applicant's total household income, age, marital status (and
24 if married the name and address of the applicant's spouse, if
25 known), confirmation that no individual residing at the real
26 property is or will be enrolled in a tax levying body eligible

1 to place a levy on the property pursuant to Section 17-2 of the
2 School Code for the full taxable year, and principal dwelling
3 place of members of the household on January 1 of the taxable
4 year. The Department shall establish, by rule, a method for
5 verifying the accuracy of affidavits filed by applicants under
6 this Section, and the chief county assessment officer may
7 conduct audits of any taxpayer claiming an exemption under
8 this Section to verify that the taxpayer is eligible to
9 receive the exemption. Each application shall contain or be
10 verified by a written declaration that it is made under the
11 penalties of perjury. A taxpayer's signing a fraudulent
12 application under this Act is perjury, as defined in Section
13 32-2 of the Criminal Code of 2012. The applications shall be
14 clearly marked as applications for the Senior Citizens
15 Homestead Exemption School Levy Cap and must contain a notice
16 that any taxpayer who receives the exemption is subject to an
17 audit by the Chief County Assessment Officer.

18 Beginning January 1, 2027, notwithstanding any other
19 provision to the contrary, in counties having fewer than
20 3,000,000 inhabitants, if an applicant fails to file the
21 application required by this Section in a timely manner and
22 this failure to file is due to a mental or physical condition
23 sufficiently severe to render the applicant incapable of
24 filing the application in a timely manner, the chief county
25 assessment officer may extend the filing deadline for a period
26 of 3 months. In order to receive the extension provided in this

1 paragraph, the applicant shall provide the chief county
2 assessment officer with a signed statement from the
3 applicant's physician, advanced practice registered nurse, or
4 physician assistant stating the nature and extent of the
5 condition, and that, in the physician's, advanced practice
6 registered nurse's, or physician assistant's opinion, the
7 condition was so severe that it rendered the applicant
8 incapable of filing the application in a timely manner.

9 For purposes of this Section, a person who will be 65 years
10 of age during the current taxable year shall be eligible to
11 apply for the Senior Citizens Homestead Exemption School Levy
12 Cap during that taxable year. Application shall be made during
13 the application period in effect for the county of his or her
14 residence.

15 The chief county assessment officer may determine the
16 eligibility of a life care facility that qualifies as a
17 cooperative to receive the benefits provided by this Section
18 by use of an affidavit, application, visual inspection,
19 questionnaire, or other reasonable method in order to ensure
20 that the tax savings resulting from the exemption are credited
21 by the management firm to the apportioned tax liability of
22 each qualifying resident. The chief county assessment officer
23 may request reasonable proof that the management firm has so
24 credited that exemption. Except as provided in this Section,
25 all information received by the chief county assessment
26 officer or the Department from applications filed under this

1 Section, or from any investigation conducted under the
2 provisions of this Section, shall be confidential, except for
3 official purposes or pursuant to official procedures for
4 collection of any State or local tax or enforcement of any
5 civil or criminal penalty or sanction imposed by this Act or by
6 any statute or ordinance imposing a State or local tax. Any
7 person who divulges any such information in any manner, except
8 in accordance with a proper judicial order, is guilty of a
9 class A misdemeanor. Nothing contained in this Section shall
10 prevent the Director or chief county assessment officer from
11 publishing or making available reasonable statistics
12 concerning the operation of the exemption contained in this
13 Section in which the contents of claims are grouped into
14 aggregates in such a way that information contained in any
15 individual claim shall not be disclosed.

16 (g) Each chief county assessment officer shall annually
17 publish a notice of availability of the exemption provided
18 under this Section. The notice shall be published at least 60
19 days but no more than 75 days prior to the date on which the
20 application must be submitted to the chief county assessment
21 officer of the county in which the property is located. The
22 notice shall appear in a newspaper of general circulation in
23 the county.

24 Notwithstanding Sections 6 and 8 of the State Mandates
25 Act, no reimbursement by the State is required for the
26 implementation of any mandate created by this Section.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.