



Rep. Charles Meier

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10400HB2108ham001

LRB104 11575 HLH 23877 a

1 AMENDMENT TO HOUSE BILL 2108

2 AMENDMENT NO. _____. Amend House Bill 2108 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by
5 changing Section 226 as follows:

6 (35 ILCS 5/226)

7 Sec. 226. Natural disaster credit.

8 (a) For taxable years that begin on or after January 1,
9 2017 and begin prior to January 1, 2019, each taxpayer who owns
10 qualified real property located in a county in Illinois that
11 was declared a State disaster area by the Governor due to
12 flooding in 2017 or 2018 is entitled to a credit against the
13 taxes imposed by subsections (a) and (b) of Section 201 of this
14 Act in an amount equal to the lesser of \$750 or the deduction
15 allowed (whether or not the taxpayer determines taxable income
16 under subsection (b) of Section 63 of the Internal Revenue

1 Code) with respect to the qualified property under Section 165
2 of the Internal Revenue Code, determined without regard to the
3 limitations imposed under subsection (h) of that Section. The
4 township assessor or, if the township assessor is unable, the
5 chief county assessment officer of the county in which the
6 property is located, shall issue a certificate to the taxpayer
7 identifying the taxpayer's property as damaged as a result of
8 the natural disaster. The certificate shall include the name
9 and address of the property owner, as well as the property
10 index number or permanent index number (PIN) of the damaged
11 property. The taxpayer shall attach a copy of such certificate
12 to the taxpayer's return for the taxable year for which the
13 credit is allowed.

14 (b) In no event shall a credit under this Section reduce a
15 taxpayer's liability to less than zero. If the amount of
16 credit exceeds the tax liability for the year, the excess may
17 be carried forward and applied to the tax liability for the 5
18 taxable years following the excess credit year. The tax credit
19 shall be applied to the earliest year for which there is a tax
20 liability. If there are credits for more than one year that are
21 available to offset liability, the earlier credit shall be
22 applied first.

23 (c) If the taxpayer is a partnership or Subchapter S
24 corporation, the credit shall be allowed to the partners or
25 shareholders in accordance with the determination of income
26 and distributive share of income under Sections 702 and 704

1 and Subchapter S of the Internal Revenue Code.

2 (d) A taxpayer is not entitled to the credit under this
3 Section if the taxpayer receives a Natural Disaster and Mine
4 Subsidence Homestead Exemption under Section 15-173 of the
5 Property Tax Code with respect to the qualified real property
6 as a result of the natural disaster.

7 (e) The township assessor or, if the township assessor is
8 unable to certify, the chief county assessment officer of the
9 county in which the property is located, shall certify to the
10 Department a listing of the properties located within the
11 county that have been damaged as a result of the natural
12 disaster (including the name and address of the property owner
13 and the property index number or permanent index number (PIN)
14 of each damage property).

15 (f) As used in this Section:

16 (1) "Qualified real property" means real property that
17 is: (i) the taxpayer's principal residence or owned by a
18 small business; (ii) damaged during the taxable year as a
19 result of a disaster; and (iii) not used in a rental or
20 leasing business.

21 (2) "Small business" has the meaning given to that
22 term in Section 1-75 of the Illinois Administrative
23 Procedure Act.

24 (g) Nothing in this Act prohibits the disclosure of
25 information by officials of a county or municipality involving
26 reports of damaged property or the owners of damaged property

1 if that disclosure is made to a township or county assessment
2 official in connection with a credit obtained or sought under
3 this Section.

4 (Source: P.A. 100-555, eff. 11-16-17; 100-587, eff. 6-4-18;
5 100-731, eff. 1-1-19; 101-81, eff. 7-12-19.)

6 Section 10. The Property Tax Code is amended by changing
7 Section 15-173 as follows:

8 (35 ILCS 200/15-173)

9 Sec. 15-173. Natural Disaster and Mine Subsidence
10 Homestead Exemption.

11 (a) This Section may be cited as the Natural Disaster and
12 Mine Subsidence Homestead Exemption.

13 (b) As used in this Section:

14 "Base amount" means the base year equalized assessed value
15 of the residence.

16 "Base year" means the taxable year prior to the taxable
17 year in which the natural disaster or mine subsidence
18 occurred.

19 "Chief county assessment officer" means the County
20 Assessor or Supervisor of Assessments of the county in which
21 the property is located.

22 "Equalized assessed value" means the assessed value as
23 equalized by the Illinois Department of Revenue.

24 "Homestead property" has the meaning ascribed to that term

1 in Section 15-175 of this Code.

2 Mine subsidence" means an occurrence of widespread or
3 severe damage or loss of property resulting from lateral or
4 vertical ground movement that is caused by a failure,
5 initiated at the mine level, of man-made underground mines,
6 including, but not limited to, coal mines, clay mines,
7 limestone mines, and fluorspar mines, and that directly
8 damages residences or commercial buildings.

9 "Mine subsidence" does not include lateral or vertical
10 ground movement caused by earthquakes, landslides, volcanic
11 eruption, soil conditions, soil erosion, soil freezing and
12 thawing, improperly compacted soil, construction defects,
13 roots of trees and shrubs, or the collapse of storm and sewer
14 drains and rapid transit tunnels.

15 "Natural disaster" means an occurrence of widespread or
16 severe damage or loss of property resulting from any
17 catastrophic cause including but not limited to fire, flood,
18 earthquake, wind, storm, or extended period of severe
19 inclement weather. In the case of a residential structure
20 affected by flooding, the structure shall not be eligible for
21 this homestead improvement exemption unless it is located
22 within a local jurisdiction which is participating in the
23 National Flood Insurance Program. A proclamation of disaster
24 by the President of the United States or Governor of the State
25 of Illinois is not a prerequisite to the classification of an
26 occurrence as a natural disaster under this Section.

1 (c) A homestead exemption shall be granted by the chief
2 county assessment officer for homestead properties containing
3 a residential structure that has been rebuilt following a
4 natural disaster occurring in taxable year 2012 or any taxable
5 year thereafter. In addition, for taxable year 2026 and each
6 taxable year thereafter, a homestead exemption shall be
7 granted by the chief county assessment officer for homestead
8 properties containing a residential structure that has been
9 rebuilt following an occurrence of mine subsidence that
10 occurred in taxable year 2020 or thereafter. The amount of the
11 exemption is the equalized assessed value of the residence in
12 the first taxable year for which the taxpayer applies for an
13 exemption under this Section minus the base amount. To be
14 eligible for an exemption under this Section: (i) the
15 residential structure must be rebuilt within 2 years after the
16 date of the natural disaster or mine subsidence; and (ii) the
17 square footage of the rebuilt residential structure may not be
18 more than 110% of the square footage of the original
19 residential structure as it existed immediately prior to the
20 natural disaster or mine subsidence. If the exemption is
21 granted as a result of a natural disaster, the ~~The~~ taxpayer's
22 initial application for an exemption under this Section must
23 be made no later than the first taxable year after the
24 residential structure is rebuilt. If the exemption is granted
25 as a result of mine subsidence, the taxpayer's initial
26 application for an exemption under this Section must be made

1 no later than (i) the third taxable year after the effective
2 date of this amendatory Act of the 104th General Assembly or
3 (ii) the third taxable year after the residential structure is
4 rebuilt or newly-constructed, as applicable, whichever is
5 later. If the exemption is granted as a result of mine
6 subsidence, the structure may be rebuilt on the original
7 property, or the exemption under this Section may be applied
8 to a newly-constructed residence on different property in the
9 same county if (i) the structure was not able to be rebuilt on
10 the original property because of the effects of mine
11 subsidence, (ii) the newly-constructed residence is homestead
12 property that is owned and occupied as a primary residence by
13 the taxpayer who qualified for the exemption under this
14 Section, and (iii) the newly-constructed residence is the
15 first residence that is owned by the taxpayer after the mine
16 subsidence occurrence that gave rise to the exemption under
17 this Section. The exemption shall continue at the same annual
18 amount until the taxable year in which the property is sold or
19 transferred.

20 (d) To receive the exemption, the taxpayer shall submit an
21 application to the chief county assessment officer of the
22 county in which the property is located by July 1 of each
23 taxable year. A county may, by resolution, establish a date
24 for submission of applications that is different than July 1.
25 The chief county assessment officer may require additional
26 documentation to be provided by the applicant. The

1 applications shall be clearly marked as applications for the
2 Natural Disaster and Mine Subsidence Homestead Exemption.

3 (e) Property is not eligible for an exemption under this
4 Section and Section 15-180 for the same natural disaster or
5 catastrophic event. The property may, however, remain eligible
6 for an additional exemption under Section 15-180 for any
7 separate event occurring after the property qualified for an
8 exemption under this Section.

9 (f) The exemption under this Section carries over to the
10 benefit of the surviving spouse as long as the spouse holds the
11 legal or beneficial title to the homestead and permanently
12 resides thereon.

13 (g) Notwithstanding Sections 6 and 8 of the State Mandates
14 Act, no reimbursement by the State is required for the
15 implementation of any mandate created by this Section.

16 (Source: P.A. 97-716, eff. 6-29-12.)".