

# HB2639



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB2639

Introduced 2/6/2025, by Rep. Martin McLaughlin

### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Provides that, for taxable years 2026 and thereafter, the maximum reduction for the general homestead exemption is \$10,000 in all counties. Effective immediately.

LRB104 09751 HLH 19817 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 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 through 2025 ~~and thereafter~~, the maximum reduction  
13 is \$10,000 in counties with 3,000,000 or more inhabitants,  
14 \$8,000 in counties that are contiguous to a county of  
15 3,000,000 or more inhabitants, and \$6,000 in all other  
16 counties. For taxable years 2026 and thereafter, the maximum  
17 reduction is \$10,000 in all counties. If a county has elected  
18 to subject itself to the provisions of Section 15-176 as  
19 provided in subsection (k) of that Section, then, for the  
20 first taxable year only after the provisions of Section 15-176  
21 no longer apply, for owners who, for the taxable year, have not  
22 been granted a senior citizens assessment freeze homestead  
23 exemption under Section 15-172 or a long-time occupant  
24 homestead exemption under Section 15-177, there shall be an  
25 additional exemption of \$5,000 for owners with a household  
26 income of \$30,000 or less.

1           (c) In counties with fewer than 3,000,000 inhabitants, if,  
2 based on the most recent assessment, the equalized assessed  
3 value of the homestead property for the current assessment  
4 year is greater than the equalized assessed value of the  
5 property for 1977, the owner of the property shall  
6 automatically receive the exemption granted under this Section  
7 in an amount equal to the increase over the 1977 assessment up  
8 to the maximum reduction set forth in this Section.

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

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

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

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

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

26 "Current tax year" means the year prior to the collection

1 year.

2 (e) The chief county assessment officer may, when  
3 considering whether to grant a leasehold exemption under this  
4 Section, require the following conditions to be met:

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

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

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

15 (4) that the lease must include the following language  
16 in substantially the following form:

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

1           decreased pro rata (effective January 1 of each  
2           calendar year) to reflect any increase or decrease in  
3           real estate taxes. Lessee shall be deemed to be  
4           satisfying Lessee's liability for the above mentioned  
5           real estate taxes with the monthly rent payments as  
6           set forth above (or increased or decreased as set  
7           forth herein).".

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

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

14          (f) "Homestead property" under this Section includes  
15          residential property that is occupied by its owner or owners  
16          as his or their principal dwelling place, or that is a  
17          leasehold interest on which a single family residence is  
18          situated, which is occupied as a residence by a person who has  
19          an ownership interest therein, legal or equitable or as a  
20          lessee, and on which the person is liable for the payment of  
21          property taxes. For land improved with an apartment building  
22          owned and operated as a cooperative, the maximum reduction  
23          from the equalized assessed value shall be limited to the  
24          increase in the value above the equalized assessed value of  
25          the property for 1977, up to the maximum reduction set forth  
26          above, multiplied by the number of apartments or units

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

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

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

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

25 (g) In a cooperative or life care facility where a  
26 homestead exemption has been granted, the cooperative

1 association or the management of the cooperative or life care  
2 facility shall credit the savings resulting from that  
3 exemption only to the apportioned tax liability of the owner  
4 or resident who qualified for the exemption. Any person who  
5 willfully refuses to so credit the savings shall be guilty of a  
6 Class B misdemeanor.

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

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

1 as applications for the Additional General Homestead  
2 Exemption.

3 (i-5) This subsection (i-5) applies to counties with  
4 3,000,000 or more inhabitants. In the event of a sale of  
5 homestead property, the homestead exemption shall remain in  
6 effect for the remainder of the assessment year of the sale.  
7 Upon receipt of a transfer declaration transmitted by the  
8 recorder pursuant to Section 31-30 of the Real Estate Transfer  
9 Tax Law for property receiving an exemption under this  
10 Section, the assessor shall mail a notice and forms to the new  
11 owner of the property providing information pertaining to the  
12 rules and applicable filing periods for applying or reapplying  
13 for homestead exemptions under this Code for which the  
14 property may be eligible. If the new owner fails to apply or  
15 reapply for a homestead exemption during the applicable filing  
16 period or the property no longer qualifies for an existing  
17 homestead exemption, the assessor shall cancel such exemption  
18 for any ensuing assessment year.

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

26 (k) Notwithstanding Sections 6 and 8 of the State Mandates

1 Act, no reimbursement by the State is required for the  
2 implementation of any mandate created by this Section.

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

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

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.