



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4134

Introduced 10/15/2025, by Rep. Stephanie A. Kifowit

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-168

Amends the Property Tax Code. Provides that, beginning with taxable year 2026, the amount of the homestead exemption for persons with disabilities shall be the greater of (i) \$2,000 or (ii) an amount that, when deducted from the property's value as equalized or assessed by the Department of Revenue, will cause the total aggregate property tax liability for the property for the taxable year for which the exemption is claimed to equal a specified base amount. Effective immediately.

LRB104 14478 HLH 27617 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 changing
5 Section 15-168 as follows:

6 (35 ILCS 200/15-168)

7 Sec. 15-168. Homestead exemption for persons with
8 disabilities.

9 (a) Beginning with taxable year 2007, an annual homestead
10 exemption is granted to persons with disabilities. The amount
11 of the exemption shall ~~in the amount of \$2,000, except as~~
12 ~~provided in subsection (c), to~~ be deducted from the property's
13 value as equalized or assessed by the Department of Revenue.
14 The person with a disability shall receive the homestead
15 exemption upon meeting the following requirements:

16 (1) The property must be occupied as the primary
17 residence by the person with a disability.

18 (2) The person with a disability must be liable for
19 paying the real estate taxes on the property.

20 (3) The person with a disability must be an owner of
21 record of the property or have a legal or equitable
22 interest in the property as evidenced by a written
23 instrument. In the case of a leasehold interest in

1 property, the lease must be for a single family residence.

2 A person who has a disability during the taxable year is
3 eligible to apply for this homestead exemption during that
4 taxable year. Application must be made during the application
5 period in effect for the county of residence. If a homestead
6 exemption has been granted under this Section and the person
7 awarded the exemption subsequently becomes a resident of a
8 facility licensed under the Nursing Home Care Act, the
9 Specialized Mental Health Rehabilitation Act of 2013, the
10 ID/DD Community Care Act, or the MC/DD Act, then the exemption
11 shall continue (i) so long as the residence continues to be
12 occupied by the qualifying person's spouse or (ii) if the
13 residence remains unoccupied but is still owned by the person
14 qualified for the homestead exemption.

15 (a-5) Except as provided in subsection (c):

16 (1) through taxable year 2025, the amount of the
17 homestead exemption for persons with disabilities under
18 this Section shall be \$2,000; and

19 (2) for taxable year 2026 and thereafter, if the
20 applicant was the owner of the property in the year
21 immediately preceding the base year, then the amount of
22 the homestead exemption for persons with disabilities
23 under this Section shall be the greater of (i) \$2,000 or
24 (ii) an amount that, when deducted from the property's
25 value as equalized or assessed by the Department of
26 Revenue, will cause the total aggregate property tax

1 liability for the property for the taxable year for which
2 the exemption is claimed to equal the property tax
3 liability for the property for the year immediately
4 preceding the base year; and

5 (3) for taxable year 2026 and thereafter, if the
6 applicant was not the owner of the property in the year
7 immediately preceding the base year, then:

8 (A) for the base year, the amount of the homestead
9 exemption for persons with disabilities under this
10 Section shall be \$2,000; and

11 (B) after the base year, the amount of the
12 homestead exemption for persons with disabilities
13 under this Section shall be the greater of (i) \$2,000
14 or (ii) an amount that, when deducted from the
15 property's value as equalized or assessed by the
16 Department of Revenue, will cause the total aggregate
17 property tax liability for the property for the
18 taxable year for which the exemption is claimed to
19 equal the property tax liability for the property for
20 the base year.

21 (b) As used in ~~For the purposes of~~ this Section: 7

22 "Base year" means the later of (i) the 2026 taxable year or
23 (ii) the taxable year for which the person with a disability
24 first qualifies and applies for the exemption under this
25 Section for the subject property.

26 "Person ~~"person~~ with a disability" means a person unable

1 to engage in any substantial gainful activity by reason of a
2 medically determinable physical or mental impairment which can
3 be expected to result in death or has lasted or can be expected
4 to last for a continuous period of not less than 12 months.
5 Persons with disabilities filing claims under this Act shall
6 submit proof of disability in such form and manner as the
7 Department shall by rule and regulation prescribe. Proof that
8 a claimant is eligible to receive disability benefits under
9 the Federal Social Security Act shall constitute proof of
10 disability for purposes of this Act. Issuance of an Illinois
11 Person with a Disability Identification Card stating that the
12 claimant is under a Class 2 disability, as defined in Section
13 4A of the Illinois Identification Card Act, shall constitute
14 proof that the person named thereon is a person with a
15 disability for purposes of this Act. A person with a
16 disability not covered under the Federal Social Security Act
17 and not presenting an Illinois Person with a Disability
18 Identification Card stating that the claimant is under a Class
19 2 disability shall be examined by a physician, optometrist (if
20 the person qualifies because of a visual disability), advanced
21 practice registered nurse, or physician assistant designated
22 by the Department, and his status as a person with a disability
23 determined using the same standards as used by the Social
24 Security Administration. The costs of any required examination
25 shall be borne by the claimant.

26 (c) For taxable years before taxable year 2026, for ~~For~~

1 land improved with (i) an apartment building owned and
2 operated as a cooperative or (ii) a life care facility as
3 defined under Section 2 of the Life Care Facilities Act that is
4 considered to be a cooperative, the maximum reduction from the
5 value of the property, as equalized or assessed by the
6 Department, shall be multiplied by the number of apartments or
7 units occupied by a person with a disability.

8 For taxable year 2026 and thereafter, for land improved
9 with an apartment building owned and operated as a cooperative
10 or a building that is a life care facility that qualifies as a
11 cooperative, the maximum reduction from the equalized assessed
12 value of the property is limited to the sum of the reductions
13 calculated for each unit occupied as a residence by a person
14 with a disability.

15 The person with a disability shall receive the homestead
16 exemption upon meeting the following requirements:

17 (1) The property must be occupied as the primary
18 residence by the person with a disability.

19 (2) The person with a disability must be liable by
20 contract with the owner or owners of record for paying the
21 apportioned property taxes on the property of the
22 cooperative or life care facility. In the case of a life
23 care facility, the person with a disability must be liable
24 for paying the apportioned property taxes under a life
25 care contract as defined in Section 2 of the Life Care
26 Facilities Act.

1 (3) The person with a disability must be an owner of
2 record of a legal or equitable interest in the cooperative
3 apartment building. A leasehold interest does not meet
4 this requirement.

5 If a homestead exemption is granted under this subsection, the
6 cooperative association or management firm shall credit the
7 savings resulting from the exemption to the apportioned tax
8 liability of the qualifying person with a disability. The
9 chief county assessment officer may request reasonable proof
10 that the association or firm has properly credited the
11 exemption.

12 A person who willfully refuses to credit an exemption to
13 the qualified person with a disability is guilty of a Class B
14 misdemeanor.

15 (d) The chief county assessment officer shall determine
16 the eligibility of property to receive the homestead exemption
17 according to guidelines established by the Department. After a
18 person has received an exemption under this Section, an annual
19 verification of eligibility for the exemption shall be mailed
20 to the taxpayer.

21 In counties with fewer than 3,000,000 inhabitants, the
22 chief county assessment officer shall provide to each person
23 granted a homestead exemption under this Section a form to
24 designate any other person to receive a duplicate of any
25 notice of delinquency in the payment of taxes assessed and
26 levied under this Code on the person's qualifying property.

1 The duplicate notice shall be in addition to the notice
2 required to be provided to the person receiving the exemption
3 and shall be given in the manner required by this Code. The
4 person filing the request for the duplicate notice shall pay
5 an administrative fee of \$5 to the chief county assessment
6 officer. The assessment officer shall then file the executed
7 designation with the county collector, who shall issue the
8 duplicate notices as indicated by the designation. A
9 designation may be rescinded by the person with a disability
10 in the manner required by the chief county assessment officer.

11 (d-5) Notwithstanding any other provision of law, each
12 chief county assessment officer may approve this exemption for
13 the 2020 taxable year, without application, for any property
14 that was approved for this exemption for the 2019 taxable
15 year, provided that:

16 (1) the county board has declared a local disaster as
17 provided in the Illinois Emergency Management Agency Act
18 related to the COVID-19 public health emergency;

19 (2) the owner of record of the property as of January
20 1, 2020 is the same as the owner of record of the property
21 as of January 1, 2019;

22 (3) the exemption for the 2019 taxable year has not
23 been determined to be an erroneous exemption as defined by
24 this Code; and

25 (4) the applicant for the 2019 taxable year has not
26 asked for the exemption to be removed for the 2019 or 2020

1 taxable years.

2 (d-10) Notwithstanding any other provision of law, each
3 chief county assessment officer may approve this exemption for
4 the 2021 taxable year, without application, for any property
5 that was approved for this exemption for the 2020 taxable
6 year, if:

7 (1) the county board has declared a local disaster as
8 provided in the Illinois Emergency Management Agency Act
9 related to the COVID-19 public health emergency;

10 (2) the owner of record of the property as of January
11 1, 2021 is the same as the owner of record of the property
12 as of January 1, 2020;

13 (3) the exemption for the 2020 taxable year has not
14 been determined to be an erroneous exemption as defined by
15 this Code; and

16 (4) the taxpayer for the 2020 taxable year has not
17 asked for the exemption to be removed for the 2020 or 2021
18 taxable years.

19 (d-15) For taxable years 2022 through 2027, in any county
20 of more than 3,000,000 residents, and in any other county
21 where the county board has authorized such action by ordinance
22 or resolution, a chief county assessment officer may renew
23 this exemption for any person who applied for the exemption
24 and presented proof of eligibility, as described in subsection
25 (b), without an annual application as required under
26 subsection (d). A chief county assessment officer shall not

1 automatically renew an exemption under this subsection if: the
2 physician, advanced practice registered nurse, optometrist, or
3 physician assistant who examined the claimant determined that
4 the disability is not expected to continue for 12 months or
5 more; the exemption has been deemed erroneous since the last
6 application; or the claimant has reported their ineligibility
7 to receive the exemption. A chief county assessment officer
8 who automatically renews an exemption under this subsection
9 shall notify a person of a subsequent determination not to
10 automatically renew that person's exemption and shall provide
11 that person with an application to renew the exemption.

12 (e) A taxpayer who claims an exemption under Section
13 15-165 or 15-169 may not claim an exemption under this
14 Section.

15 (Source: P.A. 102-136, eff. 7-23-21; 102-895, eff. 5-23-22;
16 103-154, eff. 6-30-23.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.