

HB4871



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4871

by Rep. Amy Elik

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-177

Amends the Property Tax Code. Provides that, beginning with taxable year 2027, the long-time occupant homestead exemption applies in all counties. Effective immediately.

LRB104 17773 HLH 31205 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 15-177 as follows:

6 (35 ILCS 200/15-177)

7 Sec. 15-177. The long-time occupant homestead exemption.

8 (a) Qualified ~~If the county has elected, under Section~~
9 ~~15-176, to be subject to the provisions of the alternative~~
10 ~~general homestead exemption, then, for taxable years 2007 and~~
11 ~~thereafter, regardless of whether the exemption under Section~~
12 ~~15-176 applies, qualified~~ homestead property is entitled to an
13 annual homestead exemption equal to a reduction in the
14 property's equalized assessed value calculated as provided in
15 this Section. If the county has elected, under Section 15-176,
16 to be subject to the provisions of the alternative general
17 homestead exemption, then this Section applies beginning in
18 taxable year 2007, regardless of whether the exemption under
19 Section 15-176 applies. In all other counties, this Section
20 applies beginning in taxable year 2027.

21 (b) As used in this Section:

22 "Adjusted homestead value" means the lesser of the
23 following values:

1 (1) The property's base homestead value increased by:
2 (i) 10% for each taxable year after the base year through
3 and including the current tax year for qualified taxpayers
4 with a household income of more than \$75,000 but not
5 exceeding \$100,000; or (ii) 7% for each taxable year after
6 the base year through and including the current tax year
7 for qualified taxpayers with a household income of \$75,000
8 or less. The increase each year is an increase over the
9 prior year; or

10 (2) The property's equalized assessed value for the
11 current tax year minus the general homestead deduction.

12 "Base homestead value" means:

13 (1) if the property did not have an adjusted homestead
14 value under Section 15-176 for the base year, then an
15 amount equal to the equalized assessed value of the
16 property for the base year prior to exemptions, minus the
17 general homestead deduction, provided that the property's
18 assessment was not based on a reduced assessed value
19 resulting from a temporary irregularity in the property
20 for that year; or

21 (2) if the property had an adjusted homestead value
22 under Section 15-176 for the base year, then an amount
23 equal to the adjusted homestead value of the property
24 under Section 15-176 for the base year.

25 "Base year" means the taxable year prior to the taxable
26 year in which the taxpayer first qualifies for the exemption

1 under this Section.

2 "Current taxable year" means the taxable year for which
3 the exemption under this Section is being applied.

4 "Equalized assessed value" means the property's assessed
5 value as equalized by the Department.

6 "Homestead" or "homestead property" means residential
7 property that as of January 1 of the tax year is occupied by a
8 qualified taxpayer as his or her principal dwelling place, or
9 that is a leasehold interest on which a single family
10 residence is situated, that is occupied as a residence by a
11 qualified taxpayer who has a legal or equitable interest
12 therein evidenced by a written instrument, as an owner or as a
13 lessee, and on which the person is liable for the payment of
14 property taxes. Residential units in an apartment building
15 owned and operated as a cooperative, or as a life care
16 facility, which are occupied by persons who hold a legal or
17 equitable interest in the cooperative apartment building or
18 life care facility as owners or lessees, and who are liable by
19 contract for the payment of property taxes, are included
20 within this definition of homestead property. A homestead
21 includes the dwelling place, appurtenant structures, and so
22 much of the surrounding land constituting the parcel on which
23 the dwelling place is situated as is used for residential
24 purposes. If the assessor has established a specific legal
25 description for a portion of property constituting the
26 homestead, then the homestead is limited to the property

1 within that description.

2 "Household income" has the meaning set forth under Section
3 15-172 of this Code.

4 "General homestead deduction" means the amount of the
5 general homestead exemption under Section 15-175.

6 "Life care facility" means a facility defined in Section 2
7 of the Life Care Facilities Act.

8 "Qualified homestead property" means homestead property
9 owned by a qualified taxpayer.

10 "Qualified taxpayer" means any individual:

11 (1) who, for at least 10 continuous years as of
12 January 1 of the taxable year, has occupied the same
13 homestead property as a principal residence and domicile
14 or who, for at least 5 continuous years as of January 1 of
15 the taxable year, has occupied the same homestead property
16 as a principal residence and domicile if that person
17 received assistance in the acquisition of the property as
18 part of a government or nonprofit housing program; and

19 (2) who has a household income of \$100,000 or less.

20 (c) The base homestead value must remain constant, except
21 that the assessor may revise it under any of the following
22 circumstances:

23 (1) If the equalized assessed value of a homestead
24 property for the current tax year is less than the
25 previous base homestead value for that property, then the
26 current equalized assessed value (provided it is not based

1 on a reduced assessed value resulting from a temporary
2 irregularity in the property) becomes the base homestead
3 value in subsequent tax years.

4 (2) For any year in which new buildings, structures,
5 or other improvements are constructed on the homestead
6 property that would increase its assessed value, the
7 assessor shall adjust the base homestead value with due
8 regard to the value added by the new improvements.

9 (d) The amount of the exemption under this Section is the
10 greater of: (i) the equalized assessed value of the homestead
11 property for the current tax year minus the adjusted homestead
12 value; or (ii) the general homestead deduction.

13 (e) In the case of an apartment building owned and
14 operated as a cooperative, or as a life care facility, that
15 contains residential units that qualify as homestead property
16 of a qualified taxpayer under this Section, the maximum
17 cumulative exemption amount attributed to the entire building
18 or facility shall not exceed the sum of the exemptions
19 calculated for each unit that is a qualified homestead
20 property. The cooperative association, management firm, or
21 other person or entity that manages or controls the
22 cooperative apartment building or life care facility shall
23 credit the exemption attributable to each residential unit
24 only to the apportioned tax liability of the qualified
25 taxpayer as to that unit. Any person who willfully refuses to
26 so credit the exemption is guilty of a Class B misdemeanor.

1 (f) When married persons maintain separate residences, the
2 exemption provided under this Section may be claimed by only
3 one such person and for only one residence. No person who
4 receives an exemption under Section 15-172 of this Code may
5 receive an exemption under this Section. No person who
6 receives an exemption under this Section may receive an
7 exemption under Section 15-175 or 15-176 of this Code.

8 (g) In the event of a sale or other transfer in ownership
9 of the homestead property between spouses or between a parent
10 and a child, the exemption under this Section remains in
11 effect if the new owner has a household income of \$100,000 or
12 less.

13 (h) In the event of a sale or other transfer in ownership
14 of the homestead property other than subsection (g) of this
15 Section, the exemption under this Section shall remain in
16 effect for the remainder of the tax year and be calculated
17 using the same base homestead value in which the sale or
18 transfer occurs.

19 (i) To receive the exemption, a person must submit an
20 application to the county assessor during the period specified
21 by the county assessor.

22 The county assessor shall annually give notice of the
23 application period by mail or by publication.

24 The taxpayer must submit, with the application, an
25 affidavit of the taxpayer's total household income, marital
26 status (and if married the name and address of the applicant's

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

16 (j) Notwithstanding Sections 6 and 8 of the State Mandates
17 Act, no reimbursement by the State is required for the
18 implementation of any mandate created by this Section.

19 (Source: P.A. 97-1150, eff. 1-25-13.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.