



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB1526

Introduced 2/4/2025, by Sen. David Koehler

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/Art. 10 Div. 22 heading new  
35 ILCS 200/10-920 new  
35 ILCS 200/10-925 new  
35 ILCS 200/10-935 new  
35 ILCS 200/10-940 new  
35 ILCS 200/10-945 new  
35 ILCS 200/10-950 new  
35 ILCS 200/10-955 new  
35 ILCS 200/10-960 new

Amends the Property Tax Code. Provides that the fair cash value of commercial energy storage system improvements in counties with fewer than 3,000,000 inhabitants shall be determined by subtracting the allowance for physical depreciation from the commercial energy storage system trended real property cost basis. Provides that those commercial energy storage systems are not subject to equalization factors applied by the Department of Revenue or by any board of review, assessor, or chief county assessment officer. Provides that the owner of the commercial energy storage system shall commission a metes and bounds survey description of the land upon which the commercial energy storage system is located. Contains other provisions concerning the assessment of commercial energy storage systems. Effective immediately.

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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 Division 22 to Article 10 as follows:

6 (35 ILCS 200/Art. 10 Div. 22 heading new)

7 Division 22. Commercial energy storage systems

8 (35 ILCS 200/10-920 new)

9 Sec. 10-920. Definitions. As used in this Division:

10 "Allowance for physical depreciation" means the product  
11 of: (1) the quotient generated by dividing the actual age in  
12 years of the commercial energy storage system on the  
13 assessment date by 15 years; multiplied by (2) the commercial  
14 energy storage system's trended real property cost basis. The  
15 allowance for physical depreciation may not exceed an amount  
16 that reduces the value of the commercial energy storage system  
17 to 30% of its trended real property cost basis or less.

18 "Commercial energy storage system" means any device or  
19 assembly of devices that (i) is either installed as a  
20 stand-alone system or tied to a power generation system, (ii)  
21 is used for the primary purpose of storing of energy for  
22 wholesale or retail sale and not primarily for storage to

1 later consume on the property on which the device resides, and  
2 (iii) is an energy storage system as defined in Section 16-135  
3 of the Public Utilities Act.

4 "Commercial energy storage system real property cost  
5 basis" means the owner of the commercial energy storage  
6 system's interest in the land within the project boundaries  
7 and real property improvements and shall be calculated at \$124  
8 per kilowatt hour (kWh) of rated kilowatt hour (kWh) energy  
9 capacity.

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

15 "Rated kWh energy capacity" means the maximum amount of  
16 stored energy in kilowatt hours.

17 "Trended real property cost basis" means the commercial  
18 energy storage system real property cost basis multiplied by  
19 the trending factor.

20 "Trending factor" means the number generated by dividing  
21 the Consumer Price Index published by the Bureau of Labor  
22 Statistics in the December immediately preceding the  
23 assessment date by the Consumer Price Index published by the  
24 Bureau of Labor Statistics in December of 2024.

1       Sec. 10-925. Improvement valuation of commercial energy  
2 storage systems in counties with fewer than 3,000,000  
3 inhabitants. Beginning in assessment year 2025, the fair cash  
4 value of commercial energy storage system improvements in  
5 counties with fewer than 3,000,000 inhabitants shall be  
6 determined by subtracting the allowance for physical  
7 depreciation from the commercial energy storage system trended  
8 real property cost basis. Functional obsolescence and external  
9 obsolescence of the commercial energy storage system  
10 improvements may further reduce the fair cash value of the  
11 commercial energy storage system improvements to the extent  
12 they are proven by the taxpayer by clear and convincing  
13 evidence, except that the combined depreciation from all  
14 physical, functional, and economic obsolescence shall not  
15 exceed 70% of the trended real property cost basis. The chief  
16 county assessment officer may make reasonable adjustments to  
17 the actual age of the commercial energy storage system to  
18 account for the routine replacement or upgrade of system  
19 components.

20       (35 ILCS 200/10-935 new)

21       Sec. 10-935. Commercial energy storage systems not subject  
22 to equalization. Commercial energy storage systems that are  
23 subject to assessment under this Division are not subject to  
24 equalization factors applied by the Department or by any board  
25 of review, assessor, or chief county assessment officer.

1 (35 ILCS 200/10-940 new)

2 Sec. 10-940. Survey for commercial energy storage systems;  
3 parcel identification numbers for property improved with a  
4 commercial energy storage system. Notwithstanding any other  
5 provision of law, the owner of the commercial energy storage  
6 system shall commission a metes and bounds survey description  
7 of the land upon which the commercial energy storage system is  
8 located, including access routes, over which the owner of the  
9 commercial energy storage system has exclusive control. Land  
10 held for future development shall not be included in the  
11 project area for real property assessment purposes. The owner  
12 of the commercial energy storage system shall, at the owner's  
13 own expense, use an Illinois-registered land surveyor to  
14 prepare the survey. The owner of the commercial energy storage  
15 system shall deliver a copy of the survey to the chief county  
16 assessment officer and to the owner of the land upon which the  
17 commercial energy storage system is located. Upon receiving a  
18 copy of the survey and an agreed acknowledgment to the  
19 separate parcel identification number by the owner of the land  
20 upon which the commercial energy storage system is  
21 constructed, the chief county assessment officer shall issue a  
22 separate parcel identification for the real property  
23 improvements, including the land containing the commercial  
24 energy storage system, to be used only for the purposes of  
25 property assessment for taxation. If no survey is provided,

1 the chief county assessment officer shall determine the area  
2 of the site that is occupied by the commercial energy storage  
3 system. That determination shall be final and may not be  
4 challenged on review by the owner of the commercial energy  
5 storage system. The property records shall contain the legal  
6 description of the commercial energy storage system parcel and  
7 describe any leasehold interest or other interest of the owner  
8 of the commercial energy storage system in the property. A  
9 plat prepared under this Section shall not be construed as a  
10 violation of the Plat Act.

11 Surveys that are prepared in accordance with either  
12 Section 10-740 or Section 10-620 and that also include the  
13 location of a commercial energy storage system in their metes  
14 and bounds description shall satisfy the requirements of this  
15 Section.

16 (35 ILCS 200/10-945 new)

17 Sec. 10-945. Real estate taxes. Notwithstanding the  
18 provisions of Section 9-175 of this Code, the owner of the  
19 commercial energy storage system shall be liable for the real  
20 estate taxes for the land and real property improvements of  
21 the commercial energy storage system. Notwithstanding the  
22 foregoing, the owner of the land upon which a commercial  
23 energy storage system is located may pay any unpaid tax of the  
24 commercial energy storage system parcel prior to the  
25 initiation of any tax sale proceedings.

1 (35 ILCS 200/10-950 new)

2 Sec. 10-950. Property assessed as farmland.

3 Notwithstanding any other provision of law, real property  
4 assessed as farmland in accordance with Section 10-110 in the  
5 assessment year prior to valuation under this Division shall  
6 return to being assessed as farmland in accordance with  
7 Section 10-110 in the year following completion of the removal  
8 of the commercial energy storage system as long as the  
9 property is returned to a farm use as defined in Section 1-60,  
10 notwithstanding that the land was not used for farming for the  
11 2 preceding years.

12 (35 ILCS 200/10-955 new)

13 Sec. 10-955. Abatements. Any taxing district may, upon a  
14 majority vote of its governing authority and after the  
15 determination of the assessed valuation as set forth in this  
16 Code, order the clerk of the appropriate municipality or  
17 county to abate any portion of real property taxes otherwise  
18 levied or extended by the taxing district on a commercial  
19 energy storage system.

20 (35 ILCS 200/10-960 new)

21 Sec. 10-960. Applicability. The provisions of this  
22 Division apply for assessment years 2025 through 2040.

23 Section 99. Effective date. This Act takes effect upon

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1 becoming law.