

SB1821



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1821

Introduced 2/5/2025, by Sen. Laura M. Murphy

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

320 ILCS 30/2

from Ch. 67 1/2, par. 452

Amends the Property Tax Code. In provisions concerning the low-income senior citizens assessment freeze homestead exemption, provides that the applicant's income does not include up to \$10,000 per household in required minimum distributions under the Internal Revenue Code from a retirement plan, retirement account, or retirement annuity. Provides that, for taxable year 2025 and thereafter, the maximum income limitation is \$75,000 for all qualified property. Amends the Senior Citizens Real Estate Tax Deferral Act. Provides that an eligible taxpayer has a household income of not more than \$75,000 for tax year 2025 and thereafter (currently, \$65,000 for tax years 2022 through 2025 and \$55,000 for tax year 2026 and thereafter). Effective immediately.

LRB104 08040 HLH 18086 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 15-172 as follows:

6 (35 ILCS 200/15-172)

7 Sec. 15-172. Low-Income Senior Citizens Assessment Freeze
8 Homestead Exemption.

9 (a) This Section may be cited as the Low-Income Senior
10 Citizens Assessment Freeze Homestead Exemption.

11 (b) As used in this Section:

12 "Applicant" means an individual who has filed an
13 application under this Section.

14 "Base amount" means the base year equalized assessed value
15 of the residence plus the first year's equalized assessed
16 value of any added improvements which increased the assessed
17 value of the residence after the base year.

18 "Base year" means the taxable year prior to the taxable
19 year for which the applicant first qualifies and applies for
20 the exemption provided that in the prior taxable year the
21 property was improved with a permanent structure that was
22 occupied as a residence by the applicant who was liable for
23 paying real property taxes on the property and who was either

1 (i) an owner of record of the property or had legal or
2 equitable interest in the property as evidenced by a written
3 instrument or (ii) had a legal or equitable interest as a
4 lessee in the parcel of property that was single family
5 residence. If in any subsequent taxable year for which the
6 applicant applies and qualifies for the exemption the
7 equalized assessed value of the residence is less than the
8 equalized assessed value in the existing base year (provided
9 that such equalized assessed value is not based on an assessed
10 value that results from a temporary irregularity in the
11 property that reduces the assessed value for one or more
12 taxable years), then that subsequent taxable year shall become
13 the base year until a new base year is established under the
14 terms of this paragraph. For taxable year 1999 only, the Chief
15 County Assessment Officer shall review (i) all taxable years
16 for which the applicant applied and qualified for the
17 exemption and (ii) the existing base year. The assessment
18 officer shall select as the new base year the year with the
19 lowest equalized assessed value. An equalized assessed value
20 that is based on an assessed value that results from a
21 temporary irregularity in the property that reduces the
22 assessed value for one or more taxable years shall not be
23 considered the lowest equalized assessed value. The selected
24 year shall be the base year for taxable year 1999 and
25 thereafter until a new base year is established under the
26 terms of this paragraph.

1 "Chief County Assessment Officer" means the County
2 Assessor or Supervisor of Assessments of the county in which
3 the property is located.

4 "Equalized assessed value" means the assessed value as
5 equalized by the Illinois Department of Revenue.

6 "Household" means the applicant, the spouse of the
7 applicant, and all persons using the residence of the
8 applicant as their principal place of residence.

9 "Household income" means the combined income of the
10 members of a household for the calendar year preceding the
11 taxable year.

12 "Income" has the same meaning as provided in Section 3.07
13 of the Senior Citizens and Persons with Disabilities Property
14 Tax Relief Act, except that, beginning in assessment year
15 2001, "income" does not include veteran's benefits, and,
16 beginning in assessment year 2025, "income" does not include
17 up to \$10,000 per household in required minimum distributions
18 under the Internal Revenue Code from a retirement plan,
19 retirement account, or retirement annuity.

20 "Internal Revenue Code of 1986" means the United States
21 Internal Revenue Code of 1986 or any successor law or laws
22 relating to federal income taxes in effect for the year
23 preceding the taxable year.

24 "Life care facility that qualifies as a cooperative" means
25 a facility as defined in Section 2 of the Life Care Facilities
26 Act.

1 "Maximum income limitation" means:

2 (1) \$35,000 prior to taxable year 1999;

3 (2) \$40,000 in taxable years 1999 through 2003;

4 (3) \$45,000 in taxable years 2004 through 2005;

5 (4) \$50,000 in taxable years 2006 and 2007;

6 (5) \$55,000 in taxable years 2008 through 2016;

7 (6) for taxable year 2017, (i) \$65,000 for qualified
8 property located in a county with 3,000,000 or more
9 inhabitants and (ii) \$55,000 for qualified property
10 located in a county with fewer than 3,000,000 inhabitants;
11 and

12 (7) for taxable years 2018 through 2024 and
13 thereafter, \$65,000 for all qualified property; and -

14 (8) for taxable years 2025 and thereafter, \$75,000 for
15 all qualified property.

16 As an alternative income valuation, a homeowner who is
17 enrolled in any of the following programs may be presumed to
18 have household income that does not exceed the maximum income
19 limitation for that tax year as required by this Section: Aid
20 to the Aged, Blind or Disabled (AABD) Program or the
21 Supplemental Nutrition Assistance Program (SNAP), both of
22 which are administered by the Department of Human Services;
23 the Low Income Home Energy Assistance Program (LIHEAP), which
24 is administered by the Department of Commerce and Economic
25 Opportunity; The Benefit Access program, which is administered
26 by the Department on Aging; and the Senior Citizens Real

1 Estate Tax Deferral Program.

2 A chief county assessment officer may indicate that he or
3 she has verified an applicant's income eligibility for this
4 exemption but may not report which program or programs, if
5 any, enroll the applicant. Release of personal information
6 submitted pursuant to this Section shall be deemed an
7 unwarranted invasion of personal privacy under the Freedom of
8 Information Act.

9 "Residence" means the principal dwelling place and
10 appurtenant structures used for residential purposes in this
11 State occupied on January 1 of the taxable year by a household
12 and so much of the surrounding land, constituting the parcel
13 upon which the dwelling place is situated, as is used for
14 residential purposes. If the Chief County Assessment Officer
15 has established a specific legal description for a portion of
16 property constituting the residence, then that portion of
17 property shall be deemed the residence for the purposes of
18 this Section.

19 "Taxable year" means the calendar year during which ad
20 valorem property taxes payable in the next succeeding year are
21 levied.

22 (c) Beginning in taxable year 1994, a low-income senior
23 citizens assessment freeze homestead exemption is granted for
24 real property that is improved with a permanent structure that
25 is occupied as a residence by an applicant who (i) is 65 years
26 of age or older during the taxable year, (ii) has a household

1 income that does not exceed the maximum income limitation,
2 (iii) is liable for paying real property taxes on the
3 property, and (iv) is an owner of record of the property or has
4 a legal or equitable interest in the property as evidenced by a
5 written instrument. This homestead exemption shall also apply
6 to a leasehold interest in a parcel of property improved with a
7 permanent structure that is a single family residence that is
8 occupied as a residence by a person who (i) is 65 years of age
9 or older during the taxable year, (ii) has a household income
10 that does not exceed the maximum income limitation, (iii) has
11 a legal or equitable ownership interest in the property as
12 lessee, and (iv) is liable for the payment of real property
13 taxes on that property.

14 In counties of 3,000,000 or more inhabitants, the amount
15 of the exemption for all taxable years is the equalized
16 assessed value of the residence in the taxable year for which
17 application is made minus the base amount. In all other
18 counties, the amount of the exemption is as follows: (i)
19 through taxable year 2005 and for taxable year 2007 and
20 thereafter, the amount of this exemption shall be the
21 equalized assessed value of the residence in the taxable year
22 for which application is made minus the base amount; and (ii)
23 for taxable year 2006, the amount of the exemption is as
24 follows:

25 (1) For an applicant who has a household income of
26 \$45,000 or less, the amount of the exemption is the

1 equalized assessed value of the residence in the taxable
2 year for which application is made minus the base amount.

3 (2) For an applicant who has a household income
4 exceeding \$45,000 but not exceeding \$46,250, the amount of
5 the exemption is (i) the equalized assessed value of the
6 residence in the taxable year for which application is
7 made minus the base amount (ii) multiplied by 0.8.

8 (3) For an applicant who has a household income
9 exceeding \$46,250 but not exceeding \$47,500, the amount of
10 the exemption is (i) the equalized assessed value of the
11 residence in the taxable year for which application is
12 made minus the base amount (ii) multiplied by 0.6.

13 (4) For an applicant who has a household income
14 exceeding \$47,500 but not exceeding \$48,750, the amount of
15 the exemption is (i) the equalized assessed value of the
16 residence in the taxable year for which application is
17 made minus the base amount (ii) multiplied by 0.4.

18 (5) For an applicant who has a household income
19 exceeding \$48,750 but not exceeding \$50,000, the amount of
20 the exemption is (i) the equalized assessed value of the
21 residence in the taxable year for which application is
22 made minus the base amount (ii) multiplied by 0.2.

23 When the applicant is a surviving spouse of an applicant
24 for a prior year for the same residence for which an exemption
25 under this Section has been granted, the base year and base
26 amount for that residence are the same as for the applicant for

1 the prior year.

2 Each year at the time the assessment books are certified
3 to the County Clerk, the Board of Review or Board of Appeals
4 shall give to the County Clerk a list of the assessed values of
5 improvements on each parcel qualifying for this exemption that
6 were added after the base year for this parcel and that
7 increased the assessed value of the property.

8 In the case of land improved with an apartment building
9 owned and operated as a cooperative or a building that is a
10 life care facility that qualifies as a cooperative, the
11 maximum reduction from the equalized assessed value of the
12 property is limited to the sum of the reductions calculated
13 for each unit occupied as a residence by a person or persons
14 (i) 65 years of age or older, (ii) with a household income that
15 does not exceed the maximum income limitation, (iii) who is
16 liable, by contract with the owner or owners of record, for
17 paying real property taxes on the property, and (iv) who is an
18 owner of record of a legal or equitable interest in the
19 cooperative apartment building, other than a leasehold
20 interest. In the instance of a cooperative where a homestead
21 exemption has been granted under this Section, the cooperative
22 association or its management firm shall credit the savings
23 resulting from that exemption only to the apportioned tax
24 liability of the owner who qualified for the exemption. Any
25 person who willfully refuses to credit that savings to an
26 owner who qualifies for the exemption is guilty of a Class B

1 misdemeanor.

2 When a homestead exemption has been granted under this
3 Section and an applicant then becomes a resident of a facility
4 licensed under the Assisted Living and Shared Housing Act, the
5 Nursing Home Care Act, the Specialized Mental Health
6 Rehabilitation Act of 2013, the ID/DD Community Care Act, or
7 the MC/DD Act, the exemption shall be granted in subsequent
8 years so long as the residence (i) continues to be occupied by
9 the qualified applicant's spouse or (ii) if remaining
10 unoccupied, is still owned by the qualified applicant for the
11 homestead exemption.

12 Beginning January 1, 1997, when an individual dies who
13 would have qualified for an exemption under this Section, and
14 the surviving spouse does not independently qualify for this
15 exemption because of age, the exemption under this Section
16 shall be granted to the surviving spouse for the taxable year
17 preceding and the taxable year of the death, provided that,
18 except for age, the surviving spouse meets all other
19 qualifications for the granting of this exemption for those
20 years.

21 When married persons maintain separate residences, the
22 exemption provided for in this Section may be claimed by only
23 one of such persons and for only one residence.

24 For taxable year 1994 only, in counties having less than
25 3,000,000 inhabitants, to receive the exemption, a person
26 shall submit an application by February 15, 1995 to the Chief

1 County Assessment Officer of the county in which the property
2 is located. In counties having 3,000,000 or more inhabitants,
3 for taxable year 1994 and all subsequent taxable years, to
4 receive the exemption, a person may submit an application to
5 the Chief County Assessment Officer of the county in which the
6 property is located during such period as may be specified by
7 the Chief County Assessment Officer. The Chief County
8 Assessment Officer in counties of 3,000,000 or more
9 inhabitants shall annually give notice of the application
10 period by mail or by publication. In counties having less than
11 3,000,000 inhabitants, beginning with taxable year 1995 and
12 thereafter, to receive the exemption, a person shall submit an
13 application by July 1 of each taxable year to the Chief County
14 Assessment Officer of the county in which the property is
15 located. A county may, by ordinance, establish a date for
16 submission of applications that is different than July 1. The
17 applicant shall submit with the application an affidavit of
18 the applicant's total household income, age, marital status
19 (and if married the name and address of the applicant's
20 spouse, if known), and principal dwelling place of members of
21 the household on January 1 of the taxable year. The Department
22 shall establish, by rule, a method for verifying the accuracy
23 of affidavits filed by applicants under this Section, and the
24 Chief County Assessment Officer may conduct audits of any
25 taxpayer claiming an exemption under this Section to verify
26 that the taxpayer is eligible to receive the exemption. Each

1 application shall contain or be verified by a written
2 declaration that it is made under the penalties of perjury. A
3 taxpayer's signing a fraudulent application under this Act is
4 perjury, as defined in Section 32-2 of the Criminal Code of
5 2012. The applications shall be clearly marked as applications
6 for the Low-Income Senior Citizens Assessment Freeze Homestead
7 Exemption and must contain a notice that any taxpayer who
8 receives the exemption is subject to an audit by the Chief
9 County Assessment Officer.

10 Notwithstanding any other provision to the contrary, in
11 counties having fewer than 3,000,000 inhabitants, if an
12 applicant fails to file the application required by this
13 Section in a timely manner and this failure to file is due to a
14 mental or physical condition sufficiently severe so as to
15 render the applicant incapable of filing the application in a
16 timely manner, the Chief County Assessment Officer may extend
17 the filing deadline for a period of 30 days after the applicant
18 regains the capability to file the application, but in no case
19 may the filing deadline be extended beyond 3 months of the
20 original filing deadline. In order to receive the extension
21 provided in this paragraph, the applicant shall provide the
22 Chief County Assessment Officer with a signed statement from
23 the applicant's physician, advanced practice registered nurse,
24 or physician assistant stating the nature and extent of the
25 condition, that, in the physician's, advanced practice
26 registered nurse's, or physician assistant's opinion, the

1 condition was so severe that it rendered the applicant
2 incapable of filing the application in a timely manner, and
3 the date on which the applicant regained the capability to
4 file the application.

5 Beginning January 1, 1998, notwithstanding any other
6 provision to the contrary, in counties having fewer than
7 3,000,000 inhabitants, if an applicant fails to file the
8 application required by this Section in a timely manner and
9 this failure to file is due to a mental or physical condition
10 sufficiently severe so as to render the applicant incapable of
11 filing the application in a timely manner, the Chief County
12 Assessment Officer may extend the filing deadline for a period
13 of 3 months. In order to receive the extension provided in this
14 paragraph, the applicant shall provide the Chief County
15 Assessment Officer with a signed statement from the
16 applicant's physician, advanced practice registered nurse, or
17 physician assistant stating the nature and extent of the
18 condition, and that, in the physician's, advanced practice
19 registered nurse's, or physician assistant's opinion, the
20 condition was so severe that it rendered the applicant
21 incapable of filing the application in a timely manner.

22 In counties having less than 3,000,000 inhabitants, if an
23 applicant was denied an exemption in taxable year 1994 and the
24 denial occurred due to an error on the part of an assessment
25 official, or his or her agent or employee, then beginning in
26 taxable year 1997 the applicant's base year, for purposes of

1 determining the amount of the exemption, shall be 1993 rather
2 than 1994. In addition, in taxable year 1997, the applicant's
3 exemption shall also include an amount equal to (i) the amount
4 of any exemption denied to the applicant in taxable year 1995
5 as a result of using 1994, rather than 1993, as the base year,
6 (ii) the amount of any exemption denied to the applicant in
7 taxable year 1996 as a result of using 1994, rather than 1993,
8 as the base year, and (iii) the amount of the exemption
9 erroneously denied for taxable year 1994.

10 For purposes of this Section, a person who will be 65 years
11 of age during the current taxable year shall be eligible to
12 apply for the homestead exemption during that taxable year.
13 Application shall be made during the application period in
14 effect for the county of his or her residence.

15 The Chief County Assessment Officer may determine the
16 eligibility of a life care facility that qualifies as a
17 cooperative to receive the benefits provided by this Section
18 by use of an affidavit, application, visual inspection,
19 questionnaire, or other reasonable method in order to insure
20 that the tax savings resulting from the exemption are credited
21 by the management firm to the apportioned tax liability of
22 each qualifying resident. The Chief County Assessment Officer
23 may request reasonable proof that the management firm has so
24 credited that exemption.

25 Except as provided in this Section, all information
26 received by the chief county assessment officer or the

1 Department from applications filed under this Section, or from
2 any investigation conducted under the provisions of this
3 Section, shall be confidential, except for official purposes
4 or pursuant to official procedures for collection of any State
5 or local tax or enforcement of any civil or criminal penalty or
6 sanction imposed by this Act or by any statute or ordinance
7 imposing a State or local tax. Any person who divulges any such
8 information in any manner, except in accordance with a proper
9 judicial order, is guilty of a Class A misdemeanor.

10 Nothing contained in this Section shall prevent the
11 Director or chief county assessment officer from publishing or
12 making available reasonable statistics concerning the
13 operation of the exemption contained in this Section in which
14 the contents of claims are grouped into aggregates in such a
15 way that information contained in any individual claim shall
16 not be disclosed.

17 Notwithstanding any other provision of law, for taxable
18 year 2017 and thereafter, in counties of 3,000,000 or more
19 inhabitants, the amount of the exemption shall be the greater
20 of (i) the amount of the exemption otherwise calculated under
21 this Section or (ii) \$2,000.

22 (c-5) Notwithstanding any other provision of law, each
23 chief county assessment officer may approve this exemption for
24 the 2020 taxable year, without application, for any property
25 that was approved for this exemption for the 2019 taxable
26 year, provided that:

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

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

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

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

Nothing in this subsection shall preclude or impair the authority of a chief county assessment officer to conduct audits of any taxpayer claiming an exemption under this Section to verify that the taxpayer is eligible to receive the exemption as provided elsewhere in this Section.

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

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

(2) the owner of record of the property as of January

1, 2021 is the same as the owner of record of the property
as of January 1, 2020;

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

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

Nothing in this subsection shall preclude or impair the
authority of a chief county assessment officer to conduct
audits of any taxpayer claiming an exemption under this
Section to verify that the taxpayer is eligible to receive the
exemption as provided elsewhere in this Section.

(d) Each Chief County Assessment Officer shall annually
publish a notice of availability of the exemption provided
under this Section. The notice shall be published at least 60
days but no more than 75 days prior to the date on which the
application must be submitted to the Chief County Assessment
Officer of the county in which the property is located. The
notice shall appear in a newspaper of general circulation in
the county.

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

(Source: P.A. 101-635, eff. 6-5-20; 102-136, eff. 7-23-21;
102-895, eff. 5-23-22.)

1 Section 10. The Senior Citizens Real Estate Tax Deferral
2 Act is amended by changing Section 2 as follows:

3 (320 ILCS 30/2) (from Ch. 67 1/2, par. 452)

4 Sec. 2. Definitions. As used in this Act:

5 (a) "Taxpayer" means an individual whose household income
6 for the year is no greater than: (i) \$40,000 through tax year
7 2005; (ii) \$50,000 for tax years 2006 through 2011; (iii)
8 \$55,000 for tax years 2012 through 2021; (iv) \$65,000 for tax
9 years 2022 through 2024 2025; and (v) \$75,000 ~~\$55,000~~ for tax
10 year 2025 2026 and thereafter.

11 (b) "Tax deferred property" means the property upon which
12 real estate taxes are deferred under this Act.

13 (c) "Homestead" means the land and buildings thereon,
14 including a condominium or a dwelling unit in a multidwelling
15 building that is owned and operated as a cooperative, occupied
16 by the taxpayer as his residence or which are temporarily
17 unoccupied by the taxpayer because such taxpayer is
18 temporarily residing, for not more than 1 year, in a licensed
19 facility as defined in Section 1-113 of the Nursing Home Care
20 Act.

21 (d) "Real estate taxes" or "taxes" means the taxes on real
22 property for which the taxpayer would be liable under the
23 Property Tax Code, including special service area taxes, and
24 special assessments on benefited real property for which the

1 taxpayer would be liable to a unit of local government.

2 (e) "Department" means the Department of Revenue.

3 (f) "Qualifying property" means a homestead which (a) the
4 taxpayer or the taxpayer and his spouse own in fee simple or
5 are purchasing in fee simple under a recorded instrument of
6 sale, (b) is not income-producing property, (c) is not subject
7 to a lien for unpaid real estate taxes when a claim under this
8 Act is filed, and (d) is not held in trust, other than an
9 Illinois land trust with the taxpayer identified as the sole
10 beneficiary, if the taxpayer is filing for the program for the
11 first time effective as of the January 1, 2011 assessment year
12 or tax year 2012 and thereafter.

13 (g) "Equity interest" means the current assessed valuation
14 of the qualified property times the fraction necessary to
15 convert that figure to full market value minus any outstanding
16 debts or liens on that property. In the case of qualifying
17 property not having a separate assessed valuation, the
18 appraised value as determined by a qualified real estate
19 appraiser shall be used instead of the current assessed
20 valuation.

21 (h) "Household income" has the meaning ascribed to that
22 term in the Senior Citizens and Persons with Disabilities
23 Property Tax Relief Act.

24 (i) "Collector" means the county collector or, if the
25 taxes to be deferred are special assessments, an official
26 designated by a unit of local government to collect special

1 assessments.

2 (Source: P.A. 102-644, eff. 8-27-21.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.