



## 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

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

4           (2) the owner of record of the property as of January  
5           1, 2020 is the same as the owner of record of the property  
6           as of January 1, 2019;

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

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

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

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

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

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



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

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

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

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

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

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

25          (Source: P.A. 101-635, eff. 6-5-20; 102-136, eff. 7-23-21;  
26          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.