

**SB3849**



**104TH GENERAL ASSEMBLY**

**State of Illinois**

**2025 and 2026**

**SB3849**

Introduced 2/6/2026, by Sen. John F. Curran

**SYNOPSIS AS INTRODUCED:**

35 ILCS 200/15-175

Amends the Property Tax Code. Provides that, for taxable years 2027 and thereafter, the maximum reduction for the general homestead exemption in all counties shall be the maximum reduction for the immediately preceding taxable year, increased by the percentage increase, if any, in the Consumer Price Index during the 12-month period ending on September 30 of the immediately preceding taxable year. Effective immediately.

LRB104 17207 HLH 30627 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 15-175 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption.

8 (a) Except as provided in Sections 15-176 and 15-177,  
9 homestead property is entitled to an annual homestead  
10 exemption limited, except as described here with relation to  
11 cooperatives or life care facilities, to a reduction in the  
12 equalized assessed value of homestead property equal to the  
13 increase in equalized assessed value for the current  
14 assessment year above the equalized assessed value of the  
15 property for 1977, up to the maximum reduction set forth  
16 below. If however, the 1977 equalized assessed value upon  
17 which taxes were paid is subsequently determined by local  
18 assessing officials, the Property Tax Appeal Board, or a court  
19 to have been excessive, the equalized assessed value which  
20 should have been placed on the property for 1977 shall be used  
21 to determine the amount of the exemption.

22 (b) Except as provided in Section 15-176, the maximum  
23 reduction before taxable year 2004 shall be \$4,500 in counties

1 with 3,000,000 or more inhabitants and \$3,500 in all other  
2 counties. Except as provided in Sections 15-176 and 15-177,  
3 for taxable years 2004 through 2007, the maximum reduction  
4 shall be \$5,000, for taxable year 2008, the maximum reduction  
5 is \$5,500, and, for taxable years 2009 through 2011, the  
6 maximum reduction is \$6,000 in all counties. For taxable years  
7 2012 through 2016, the maximum reduction is \$7,000 in counties  
8 with 3,000,000 or more inhabitants and \$6,000 in all other  
9 counties. For taxable years 2017 through 2022, the maximum  
10 reduction is \$10,000 in counties with 3,000,000 or more  
11 inhabitants and \$6,000 in all other counties. For taxable  
12 years 2023 through 2026 ~~and thereafter~~, the maximum reduction  
13 is \$10,000 in counties with 3,000,000 or more inhabitants,  
14 \$8,000 in counties that are contiguous to a county of  
15 3,000,000 or more inhabitants, and \$6,000 in all other  
16 counties. For taxable year 2027 and thereafter, the maximum  
17 reduction in all counties shall be the maximum reduction for  
18 the immediately preceding taxable year, increased by the  
19 percentage increase, if any, in the Consumer Price Index  
20 during the 12-month period ending on September 30 of the  
21 immediately preceding taxable year. If a county has elected to  
22 subject itself to the provisions of Section 15-176 as provided  
23 in subsection (k) of that Section, then, for the first taxable  
24 year only after the provisions of Section 15-176 no longer  
25 apply, for owners who, for the taxable year, have not been  
26 granted a senior citizens assessment freeze homestead

1 exemption under Section 15-172 or a long-time occupant  
2 homestead exemption under Section 15-177, there shall be an  
3 additional exemption of \$5,000 for owners with a household  
4 income of \$30,000 or less.

5 (c) In counties with fewer than 3,000,000 inhabitants, if,  
6 based on the most recent assessment, the equalized assessed  
7 value of the homestead property for the current assessment  
8 year is greater than the equalized assessed value of the  
9 property for 1977, the owner of the property shall  
10 automatically receive the exemption granted under this Section  
11 in an amount equal to the increase over the 1977 assessment up  
12 to the maximum reduction set forth in this Section.

13 (d) If in any assessment year beginning with the 2000  
14 assessment year, homestead property has a pro-rata valuation  
15 under Section 9-180 resulting in an increase in the assessed  
16 valuation, a reduction in equalized assessed valuation equal  
17 to the increase in equalized assessed value of the property  
18 for the year of the pro-rata valuation above the equalized  
19 assessed value of the property for 1977 shall be applied to the  
20 property on a proportionate basis for the period the property  
21 qualified as homestead property during the assessment year.  
22 The maximum proportionate homestead exemption shall not exceed  
23 the maximum homestead exemption allowed in the county under  
24 this Section divided by 365 and multiplied by the number of  
25 days the property qualified as homestead property.

26 (d-1) In counties with 3,000,000 or more inhabitants,

1 where the chief county assessment officer provides a notice of  
2 discovery, if a property is not occupied by its owner as a  
3 principal residence as of January 1 of the current tax year,  
4 then the property owner shall notify the chief county  
5 assessment officer of that fact on a form prescribed by the  
6 chief county assessment officer. That notice must be received  
7 by the chief county assessment officer on or before March 1 of  
8 the collection year. If mailed, the form shall be sent by  
9 certified mail, return receipt requested. If the form is  
10 provided in person, the chief county assessment officer shall  
11 provide a date stamped copy of the notice. Failure to provide  
12 timely notice pursuant to this subsection (d-1) shall result  
13 in the exemption being treated as an erroneous exemption. Upon  
14 timely receipt of the notice for the current tax year, no  
15 exemption shall be applied to the property for the current tax  
16 year. If the exemption is not removed upon timely receipt of  
17 the notice by the chief assessment officer, then the error is  
18 considered granted as a result of a clerical error or omission  
19 on the part of the chief county assessment officer as  
20 described in subsection (h) of Section 9-275, and the property  
21 owner shall not be liable for the payment of interest and  
22 penalties due to the erroneous exemption for the current tax  
23 year for which the notice was filed after the date that notice  
24 was timely received pursuant to this subsection. Notice  
25 provided under this subsection shall not constitute a defense  
26 or amnesty for prior year erroneous exemptions.

1 For the purposes of this subsection (d-1):

2 "Collection year" means the year in which the first and  
3 second installment of the current tax year is billed.

4 "Current tax year" means the year prior to the collection  
5 year.

6 (e) The chief county assessment officer may, when  
7 considering whether to grant a leasehold exemption under this  
8 Section, require the following conditions to be met:

9 (1) that a notarized application for the exemption,  
10 signed by both the owner and the lessee of the property,  
11 must be submitted each year during the application period  
12 in effect for the county in which the property is located;

13 (2) that a copy of the lease must be filed with the  
14 chief county assessment officer by the owner of the  
15 property at the time the notarized application is  
16 submitted;

17 (3) that the lease must expressly state that the  
18 lessee is liable for the payment of property taxes; and

19 (4) that the lease must include the following language  
20 in substantially the following form:

21 "Lessee shall be liable for the payment of real  
22 estate taxes with respect to the residence in  
23 accordance with the terms and conditions of Section  
24 15-175 of the Property Tax Code (35 ILCS 200/15-175).  
25 The permanent real estate index number for the  
26 premises is (insert number), and, according to the

1 most recent property tax bill, the current amount of  
2 real estate taxes associated with the premises is  
3 (insert amount) per year. The parties agree that the  
4 monthly rent set forth above shall be increased or  
5 decreased pro rata (effective January 1 of each  
6 calendar year) to reflect any increase or decrease in  
7 real estate taxes. Lessee shall be deemed to be  
8 satisfying Lessee's liability for the above mentioned  
9 real estate taxes with the monthly rent payments as  
10 set forth above (or increased or decreased as set  
11 forth herein).".

12 In addition, if there is a change in lessee, or if the  
13 lessee vacates the property, then the chief county assessment  
14 officer may require the owner of the property to notify the  
15 chief county assessment officer of that change.

16 This subsection (e) does not apply to leasehold interests  
17 in property owned by a municipality.

18 (f) As used in this Section:

19 "Consumer Price Index" means the index published by the  
20 Bureau of Labor Statistics of the United States Department of  
21 Labor that measures the average change in prices of goods and  
22 services purchased by all urban consumers, United States city  
23 average, all items, 1982-84 = 100.

24 "Homestead property" means ~~under this Section includes~~  
25 residential property that is occupied by its owner or owners  
26 as his or their principal dwelling place, or that is a

1 leasehold interest on which a single family residence is  
2 situated, which is occupied as a residence by a person who has  
3 an ownership interest therein, legal or equitable or as a  
4 lessee, and on which the person is liable for the payment of  
5 property taxes. For land improved with an apartment building  
6 owned and operated as a cooperative, the maximum reduction  
7 from the equalized assessed value shall be limited to the  
8 increase in the value above the equalized assessed value of  
9 the property for 1977, up to the maximum reduction set forth  
10 above, multiplied by the number of apartments or units  
11 occupied by a person or persons who is liable, by contract with  
12 the owner or owners of record, for paying property taxes on the  
13 property and is an owner of record of a legal or equitable  
14 interest in the cooperative apartment building, other than a  
15 leasehold interest. For land improved with a life care  
16 facility, the maximum reduction from the value of the  
17 property, as equalized by the Department, shall be multiplied  
18 by the number of apartments or units occupied by a person or  
19 persons, irrespective of any legal, equitable, or leasehold  
20 interest in the facility, who are liable, under a life care  
21 contract with the owner or owners of record of the facility,  
22 for paying property taxes on the property. ~~For purposes of~~  
23 ~~this Section, the term "life care facility" has the meaning~~  
24 ~~stated in Section 15-170.~~

25 "Household", ~~as used in this Section,~~ means the owner, the  
26 spouse of the owner, and all persons using the residence of the

1 owner as their principal place of residence.

2 "Household income", ~~as used in this Section,~~ means the  
3 combined income of the members of a household for the calendar  
4 year preceding the taxable year.

5 "Income", ~~as used in this Section,~~ has the same meaning as  
6 provided in Section 3.07 of the Senior Citizens and Persons  
7 with Disabilities Property Tax Relief Act, except that  
8 "income" does not include veteran's benefits.

9 "Life care facility" has the meaning given to that term in  
10 Section 15-170.

11 (g) In a cooperative or life care facility where a  
12 homestead exemption has been granted, the cooperative  
13 association or the management of the cooperative or life care  
14 facility shall credit the savings resulting from that  
15 exemption only to the apportioned tax liability of the owner  
16 or resident who qualified for the exemption. Any person who  
17 willfully refuses to so credit the savings shall be guilty of a  
18 Class B misdemeanor.

19 (h) Where married persons maintain and reside in separate  
20 residences qualifying as homestead property, each residence  
21 shall receive 50% of the total reduction in equalized assessed  
22 valuation provided by this Section.

23 (i) In all counties, the assessor or chief county  
24 assessment officer may determine the eligibility of  
25 residential property to receive the homestead exemption and  
26 the amount of the exemption by application, visual inspection,

1 questionnaire or other reasonable methods. The determination  
2 shall be made in accordance with guidelines established by the  
3 Department, provided that the taxpayer applying for an  
4 additional general exemption under this Section shall submit  
5 to the chief county assessment officer an application with an  
6 affidavit of the applicant's total household income, age,  
7 marital status (and, if married, the name and address of the  
8 applicant's spouse, if known), and principal dwelling place of  
9 members of the household on January 1 of the taxable year. The  
10 Department shall issue guidelines establishing a method for  
11 verifying the accuracy of the affidavits filed by applicants  
12 under this paragraph. The applications shall be clearly marked  
13 as applications for the Additional General Homestead  
14 Exemption.

15 (i-5) This subsection (i-5) applies to counties with  
16 3,000,000 or more inhabitants. In the event of a sale of  
17 homestead property, the homestead exemption shall remain in  
18 effect for the remainder of the assessment year of the sale.  
19 Upon receipt of a transfer declaration transmitted by the  
20 recorder pursuant to Section 31-30 of the Real Estate Transfer  
21 Tax Law for property receiving an exemption under this  
22 Section, the assessor shall mail a notice and forms to the new  
23 owner of the property providing information pertaining to the  
24 rules and applicable filing periods for applying or reapplying  
25 for homestead exemptions under this Code for which the  
26 property may be eligible. If the new owner fails to apply or

1 reapply for a homestead exemption during the applicable filing  
2 period or the property no longer qualifies for an existing  
3 homestead exemption, the assessor shall cancel such exemption  
4 for any ensuing assessment year.

5 (j) In counties with fewer than 3,000,000 inhabitants, in  
6 the event of a sale of homestead property the homestead  
7 exemption shall remain in effect for the remainder of the  
8 assessment year of the sale. The assessor or chief county  
9 assessment officer may require the new owner of the property  
10 to apply for the homestead exemption for the following  
11 assessment year.

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

15 (l) The changes made to this Section by this amendatory  
16 Act of the 100th General Assembly are effective for the 2018  
17 tax year and thereafter.

18 (Source: P.A. 102-895, eff. 5-23-22.)

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