

# SB3978



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3978

Introduced 2/6/2026, by Sen. Patrick J. Joyce

### SYNOPSIS AS INTRODUCED:

New Act  
30 ILCS 105/5.1038 new

Creates the Circuit Breaker Property Tax Relief Act. Provides that an individual: (i) who is domiciled in this State; (ii) who is eligible for and receives either the general homestead exemption or the general alternative homestead exemption; (iii) who has experienced property tax bill spikes; and (iv) who has an income that meets a specified income eligibility limitation is eligible for a grant of a portion of the person's property tax bill spike. Provides that the maximum amount of grant to which a claimant is entitled is 50% of the claimant's tax bill spike. Creates the Circuit Breaker Property Tax Relief Fund for the purpose of making grants to claimants. Amends the State Finance Act to make conforming changes. Effective immediately.

LRB104 19656 HLH 33105 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 1. Short title. This Act may be cited as the  
5 Circuit Breaker Property Tax Relief Act.

6 Section 5. Purpose. The purpose of this Act is to assist  
7 homeowners in this State to retain private housing of their  
8 choice, to relieve those residents from the burdens of  
9 extraordinary property tax spikes, and to preserve the  
10 character and unique qualities of the neighborhoods in which  
11 they live.

12 Section 10. Definitions. As used in this Act, unless the  
13 context otherwise requires, words and phrases have the  
14 following meanings.

15 "Claimant" means a homeowner who has filed a claim for a  
16 circuit breaker property tax relief grant under this Act.

17 "Claim year" means the calendar year prior to the period  
18 of time during which a claimant may file an application for  
19 benefits under this Act.

20 "Department" means the Department of Revenue.

21 "Federal poverty level" means the federal poverty income  
22 guidelines as determined annually by the United States

1 Department of Health and Human Services and updated  
2 periodically in the Federal Register by that Department under  
3 the authority of 42 U.S.C. 9902(2).

4 "Household" means a claimant or a claimant and his or her  
5 spouse, if any, living together in the same residence. An  
6 additional resident may be counted in determining household  
7 size.

8 "Household income" means the combined income of the  
9 members of a household.

10 "Income" means adjusted gross income, properly reportable  
11 for federal income tax purposes under the provisions of the  
12 Internal Revenue Code, modified by adding thereto the sum of  
13 the following amounts to the extent deducted or excluded from  
14 gross income in the computation of adjusted gross income:

15 (1) An amount equal to all amounts paid or accrued as  
16 interest or dividends during the taxable year;

17 (2) An amount equal to the amount of tax imposed by the  
18 Illinois Income Tax Act paid for the taxable year;

19 (3) An amount equal to all amounts received during the  
20 taxable year as an annuity under an annuity, endowment or  
21 life insurance contract or under any other contract or  
22 agreement;

23 (4) An amount equal to the amount of benefits paid  
24 under the Federal Social Security Act during the taxable  
25 year;

26 (5) An amount equal to the amount of benefits paid

1 under the Railroad Retirement Act during the taxable year;

2 (6) An amount equal to the total amount of cash public  
3 assistance payments received from any governmental agency  
4 during the taxable year other than benefits received  
5 pursuant to this Act;

6 (7) An amount equal to any net operating loss  
7 carryover deduction or capital loss carryover deduction  
8 during the taxable year; and

9 (8) An amount equal to any benefits received under the  
10 Workers' Compensation Act or the Workers' Occupational  
11 Diseases Act during the taxable year.

12 "Income" does not include any distributions or items of  
13 income described under subparagraph (X) of paragraph (2) of  
14 subsection (a) of Section 203 of the Illinois Income Tax Act.

15 "Income eligibility limitation" means a household income  
16 not to exceed 4 times the federal poverty level for the  
17 household size. As an alternative income valuation, a  
18 homeowner who is enrolled in any of the following programs may  
19 be presumed to have household income that does not exceed the  
20 maximum income limitation for that tax year as required by  
21 this Section: Aid to the Aged, Blind or Disabled (AABD)  
22 Program or the Supplemental Nutrition Assistance Program  
23 (SNAP), both of which are administered by the Department of  
24 Human Services; the Low Income Home Energy Assistance Program  
25 (LIHEAP), which is administered by the Department of Commerce  
26 and Economic Opportunity; The Benefit Access program, which is

1 administered by the Department on Aging; and the Senior  
2 Citizens Real Estate Tax Deferral Program.

3 "Internal Revenue Code" means the United States Internal  
4 Revenue Code of 1986 or any successor law or laws relating to  
5 federal income taxes in effect for the year.

6 "Property taxes accrued" means the ad valorem property  
7 taxes levied against a residence, but does not include special  
8 assessments, interest, or charges for service. In the case of  
9 real estate improved with a multi-dwelling or multipurpose  
10 building, "property taxes accrued" means property taxes levied  
11 against a residence within such a building in an amount equal  
12 to the same percentage of the total property taxes levied  
13 against that real estate as improved as the value of the  
14 residence is to the total value of the building. If the  
15 building is a condominium, the percentage shall be that set  
16 forth for each residence in the condominium declaration. If  
17 the multi-dwelling building is owned and operated as a  
18 cooperative, the value of an individual residence is the value  
19 of the interest in the cooperative held by the owner of record  
20 of the legal or equitable interest, other than a leasehold  
21 interest, in the cooperative which confers the right to occupy  
22 that residence. In determining the amount of the grant under  
23 Section 20, the applicable "property taxes accrued", as  
24 determined under this Section, are those due and owing for the  
25 last preceding taxable year.

26 In addition, if the residence is a mobile home as defined

1 in and subject to the tax imposed by the Mobile Home Local  
2 Services Tax Act, "property taxes accrued" includes the amount  
3 of privilege tax paid during the calendar year for which  
4 benefits are claimed under that Act on that mobile home. If (i)  
5 the residence is a mobile home, (ii) the resident is the record  
6 owner of the property upon which the mobile home is located,  
7 and (iii) the resident is liable for the taxes imposed under  
8 the Property Tax Code for both the mobile home and the  
9 property, then "property taxes accrued" includes the amount of  
10 property taxes paid on both the mobile home and the property  
11 upon which the mobile home is located.

12 "Property tax bill spike" means that the home:

13 (1) has not been improved other than by routine  
14 maintenance;

15 (2) has been classed the same way since the year prior  
16 to the last reassessment preceding 2022;

17 (3) has had the same owner since the year prior to the  
18 last reassessment preceding 2022 or was inherited from the  
19 same owner; and

20 (4) has had accrued property taxes for the property  
21 grow at least 25% year over year in any single year since  
22 the year prior to the last reassessment preceding 2022,  
23 for counties of 250,000 or more residents, or 20% year  
24 over year in any single year since the year prior to the  
25 last reassessment preceding 2022, for any other county.

26 "Property tax bill spike" does not include a tax bill

1 increase of \$500 or less.

2 "Residence" means the principal dwelling place occupied in  
3 this State by a household and so much of the surrounding land  
4 as is reasonably necessary for use of the dwelling as a home,  
5 and includes rental residential property owned by the occupant  
6 within a multipurpose building. If the assessor has  
7 established a specific legal description for a portion of  
8 property constituting the residence, then that portion of  
9 property shall be deemed "residence" for the purposes of this  
10 Act.

11 "Taxable year" means the calendar year during which ad  
12 valorem property taxes payable in the next succeeding calendar  
13 year were levied.

14 Section 15. Circuit Breaker Property Tax Relief Fund.

15 (a) There is created in the State treasury a Circuit  
16 Breaker Property Tax Relief Fund.

17 (b) The Circuit Breaker Property Tax Relief Fund may  
18 accept funds from the State and from other entities. Once  
19 grants have been paid, any remaining funds shall be returned  
20 first to the State and then to other entities that may have  
21 contributed funds. Other entities that contribute funds may  
22 elect to leave funds in the Circuit Breaker Property Tax  
23 Relief Fund for payments related to subsequent tax years.

24 (c) Payments from the Circuit Breaker Property Tax Relief  
25 Fund on behalf of or for the benefit of claimants shall be made

1 to coincide as closely as possible with the final installment  
2 of property tax bills and may be issued directly to local  
3 taxing bodies on behalf of the claimant, provided that the  
4 property tax bill for claimants is reduced by the amount of  
5 their claim, whether through an abatement or other means.

6 Section 20. Amount of grant.

7 (a) Any individual who is domiciled in this State is  
8 eligible for and receives either a general homestead exemption  
9 under Section 15-175 of the Property Tax Code or a general  
10 alternative homestead exemption under Section 15-176 of the  
11 Property Tax Code, has experienced property tax bill spikes,  
12 and has an income that meets the income eligibility limitation  
13 is eligible for a grant of a portion of their bill spike.

14 (b) Except as otherwise provided in this Act, the maximum  
15 amount of grant to which a claimant is entitled is 50% of the  
16 claimant's tax bill spike.

17 (c) If title to the residence is held jointly by the  
18 claimant with a person who is not a member of his or her  
19 household, the amount of property taxes accrued used in  
20 computing the amount of grant to which he or she is entitled  
21 shall be the same percentage of property taxes accrued as is  
22 the percentage of ownership held by the claimant in the  
23 residence.

24 Section 25. Application.

1           (a) The Chief County Assessment Officer shall establish  
2 the content, required eligibility and identification  
3 information, use of social security numbers, and manner of  
4 applying for benefits in a simplified format under this Act.

5           (b) Applications for grants under this Act shall be filed  
6 online.

7           (c) Applications must be filed during the time period  
8 prescribed by the Chief County Assessment Officer.

9           Section 30. Procedure.

10           (a) Claims must be filed after January 1 on forms  
11 prescribed by the Chief County Assessment Officer. No claim  
12 may be filed more than one year after December 31 of the tax  
13 year for which the claim is filed.

14           (b) The right to file a claim under this Act shall be  
15 personal to the claimant and shall not survive his death, but  
16 such right may be exercised on behalf of a claimant by his  
17 legal guardian or attorney-in-fact. If a claimant dies after  
18 having filed a timely claim, the amount thereof shall be  
19 disbursed on behalf of a person who inherited title to the  
20 house, provided that such person resided with the claimant at  
21 the time he or she filed the claim.

22           (c) Only one member of a household may file a claim under  
23 this Act in any calendar year. If both members of a household  
24 are otherwise entitled to claim a grant under this Act, they  
25 must agree as to which of them will file a claim for that year.

1           (d) A person may not under any circumstances charge a fee  
2 to a claimant under this Act for assistance in completing an  
3 application form for a property tax relief grant under this  
4 Act.

5           Section 35. Administration.

6           (a) Upon receipt of a timely filed claim, the Chief County  
7 Assessment Officer shall determine whether the claimant is a  
8 person entitled to a grant under this Act and the amount of  
9 grant to which he is entitled under this Act. The Chief County  
10 Assessment Officer may require the claimant to furnish  
11 reasonable proof of the statements of domicile, household  
12 income, property taxes accrued and other matters on which  
13 entitlement is based, and may withhold approval of a grant  
14 until such additional proof is furnished. If the Chief County  
15 Assessment Officer provides such information from other  
16 records available to them, the claimant may rebut or augment  
17 such information.

18           (b) The Chief County Assessment Officer shall deny claims  
19 which have been fraudulently prepared or when he or she finds  
20 that the claimant has acquired title to his residence or has  
21 paid rent for his residence primarily for the purpose of  
22 receiving a grant under this Act.

23           (c) Upon request, the Comptroller shall transfer funds  
24 from the fund to be held by the county for payment on behalf of  
25 homeowners. In the first year that a county requests funds,

1 the Comptroller shall transfer, from funds available in the  
2 fund, \$10 per residential parcel in the county to be held in  
3 the county. To the extent that funds are received from a  
4 County, those funds may be transferred only to be used in that  
5 county. A county may request additional funds with a showing  
6 of greater eligibility. In a subsequent year, the Comptroller  
7 shall transfer sufficient funds such that, together with  
8 unused funds retained from a prior year, the county is holding  
9 the greater of \$10 per residential parcel or the amount needed  
10 for the immediately prior year. To the extent that the  
11 Comptroller is required to transfer funds, the transfer shall  
12 occur, if possible, at least 15 days before the date when the  
13 final installment tax bills are scheduled to be mailed under  
14 Article 21 of this Code. Any funds not used as provided in this  
15 Act shall be returned to the Fund after 3 years.

16 Section 40. Payment and denial of claims.

17 (a) In general. The Fund shall make payments, from  
18 appropriations made for that purpose of grants to claimants  
19 under this Act and from other entities, in the amounts to which  
20 the Chief County Assessment Officer has determined they are  
21 entitled, respectively. If a claim is denied, the Chief County  
22 Assessment Officer shall cause written notice of that denial  
23 and the reasons for that denial to be sent to the claimant.

24 (b) Payment of claims one dollar and under. Where the  
25 amount of the grant computed under Section 20 is less than one

1 dollar, the claimant shall receive one dollar.

2 (c) Right to appeal. Any person aggrieved by an action or  
3 determination arising under this Act may request in writing  
4 reconsideration of that action or determination, setting out  
5 the facts upon which the request is based.

6 Section 45. Fraud; error.

7 (a) Any person who files a fraudulent claim for a grant  
8 under this Act, who for compensation prepares a claim for a  
9 grant and knowingly enters false information on an application  
10 for any claimant under this Act, who fraudulently files  
11 multiple applications, or who files a fraudulent request for  
12 payment is guilty of a Class 4 felony for the first offense and  
13 is guilty of a Class 3 felony for each subsequent offense.

14 (b) The Department may recover from a claimant any amount  
15 paid to that claimant under this Act on account of an erroneous  
16 or fraudulent claim, together with 6% interest per year.  
17 Amounts recoverable from a claimant by the Department under  
18 this Act may, but need not, be recovered by offsetting the  
19 amount owed against any future grant payable to the person  
20 under this Act.

21 (c) A prosecution for a violation of this Section may be  
22 commenced at any time within 3 years of the commission of that  
23 violation.

24 Section 50. Arrangements. No inference, implication, or

1 presumption of legislative construction shall be drawn or made  
2 by reason of the location or grouping of any particular  
3 Section or provision of this Act.

4 Section 55. Severability. If any clause, sentence,  
5 Section, provision or part of this Act or the application  
6 thereof to any person or circumstance shall be adjudged to be  
7 unconstitutional, the remainder of this Act or its application  
8 to persons or circumstances other than those to which it is  
9 held invalid, shall not be affected thereby.

10 Section 60. Rules.

11 (a) Notwithstanding any other provision to the contrary,  
12 the Chief County Assessment Officer may adopt rules regarding  
13 applications, proof of eligibility, required identification  
14 information, use of social security numbers, and counting of  
15 income.

16 (b) The Chief County Assessment Officer may, subject to  
17 appropriations made for that purpose:

18 (1) attempt to secure the cooperation of appropriate  
19 federal, State and local agencies in securing the names  
20 and addresses of persons to whom this Act pertains;

21 (2) prepare a mailing list of persons eligible for  
22 grants under this Act; and

23 (3) secure the cooperation of the Department of  
24 Revenue, other State agencies, local business

1 establishments, and interest groups to educate the public  
2 about the application process under this Act to those  
3 eligible to file claims.

4 Section 900. The State Finance Act is amended by adding  
5 Section 5.1038 as follows:

6 (30 ILCS 105/5.1038 new)

7 Sec. 5.1038. The Circuit Breaker Property Tax Relief Fund.

8 Section 999. Effective date. This Act takes effect upon  
9 becoming law.