



Illinois State Association of Counties

POSITION STATEMENT

January 1, 2021

PROPERTY TAX ABATEMENTS

SUPPORT

The General Assembly and Governor created the Property Tax Relief Task Force to identify policies that would reduce the property tax burden on Illinois residents. Local governments are presently permitted to provide property tax relief by instructing the county clerk to abate any portion of their taxes for qualifying types of property.

Current Law:

Under current law, local governments under the Property Tax Extension Limitation Law (PTELL) have a disincentive to abate a portion of their property taxes out of concern they will lose the ability to include the amount abated within the following year's aggregate extension base. The law essentially incents taxing districts to levy the maximum amount permissible under PTELL or lose the additional property tax dollars in perpetuity.

Proposed Change:

The General Assembly and Governor should amend the law to authorize taxing districts, upon a majority vote of their governing bodies, to order the county clerk to abate any portion of what is found to be surplus revenue while allowing for the amount of the abated revenues to be included in the following year's aggregate extension base. This policy will remove a structural disincentive that prevents local governments from providing property tax relief.

ELIMINATE AN IMPEDIMENT TO LOCAL PROPERTY TAX RELIEF.