

**Illinois Department of Revenue  
Regulations**

|  |
|--|
| <b>Title 86 Part 110 Section 110.190 Property Tax Extension Limitation</b> |
|--|

**TITLE 86: REVENUE**

**PART 110**

**PROPERTY TAX CODE**

**Section 110.190 Property Tax Extension Limitation**

- a) New Property
  - 1) New property as defined in Section 18-185 of the Property Tax Code [35 ILCS 200/18-185] includes only:
    - A) New improvements or additions to existing improvements on any parcel of real property that increased the assessed value of that real property during the levy year. It does not include maintenance and repair. The amount of value shall be limited to the actual value added by the new improvement, and
    - B) property that was exempt for any portion of the prior year and reclassified and assessed as non-exempt for the levy year.
  - 2) The township assessors, multi-township assessors, Supervisors of Assessments, County Assessors, Boards of Review and Board of Appeals shall enter their assessments of new property located in taxing districts subject to the Property Tax Extension Limitation Law [35 ILCS 200/Art. 18, Div. 5] in separate columns specifically designated for new property in the assessment books.
  - 3) The following special situations are new property under the circumstances described:
    - A) New improvements or additions to existing improvements that increased the assessed value of property during the levy year in an Enterprise Zone comprise new property for that levy year only to the extent that taxes are not abated on this new property. To the extent taxes are no longer abated on this property, it is new property in the first year the abatement ceases.
    - B) Property which receives a prorated assessment under Section 9-180 of the Property Tax Code [35 ILCS 200/9-180] because of the construction of new or added buildings, structures or other improvements which were substantially completed or initially occupied or initially used during the levy

year is new property and the amount of new property for that levy year is the amount of the equalized prorated assessment. When this property receives the full assessment in the next levy year, the difference between the equalized prorated assessment and the next levy year's equalized assessment which is due to the new or added buildings, structures or other improvements which were substantially completed or initially occupied or initially used is the amount of new property for the next levy year.

- 4) New property does not include:
- A) Property which in the prior year received a prorated assessment as damaged, uninhabitable property under Section 9-180 of the Property Tax Code [35 ILCS 200/9-180] or as damaged property under Section 13-5 of the Property Tax Code [35 ILCS 200/13-5] (disaster area). However, there are three exceptions:
    - i) If new improvements are added to the parcel, these new improvements are new property.
    - ii) If square footage is added to the structure, this addition to the structure is new property.
    - iii) If the property was completely destroyed and rebuilt, then the completely rebuilt structure is new property.
  - B) Property on which the assessment has increased under Section 10-50 of the Property Tax Code [35 ILCS 200/10-50] (phaseout of historic residence assessment) and property on which the assessment under Section 10-45 of the Property Tax Code [35 ILCS 200/10-45] (historic residence assessment) has been revoked.
  - C) Property which was exempt on January 1 of the levy year and reclassified and assessed as non-exempt during the levy year.
  - D) That portion of property receiving the homestead improvement exemption under Section 15-180 of the Property Tax Code [35 ILCS 200/15-180]. However, the additional assessment attributable to the removal or expiration of the homestead improvement exemption is new property in the year of the removal or expiration. The value of the new property shall be the most recent assessed value of that portion for which the homestead improvement exemption has expired or is removed times the equalization factor.
  - E) Omitted property assessed under Section 9-265 of the Property Tax Code [35 ILCS 200/9-265].
  - F) New improvements or additions to existing improvements on property in a

redevelopment project area, as defined in the Tax Increment Allocation Redevelopment Act [65 ILCS 5/Art. II, Div. 74.4], the Industrial Jobs Recovery Law [65 ILCS 5/Art. II, Div. 74.6] or the Economic Development Area Tax Increment Allocation Act [20 ILCS 620], that increased the assessed value of property during the levy year.

G) All increases in the assessment of land.

b) Levies Subject to Annual Backdoor Referendum

- 1) Section 18-190 of the Property Tax Code [35 ILCS 200/18-190] requires that a new rate or a rate increase be approved at a direct referendum before it becomes effective for an affected taxing district subject to the Property Tax Extension Limitation Law.
- 2) Rates required to extend taxes on levies subject to a backdoor referendum in each year there is a levy are not new rates or rate increases under Section 18-190 if a levy has been made for the fund in one or more of the preceding three levy years.
- 3) If a higher statutory rate limit for the fund is enacted and a levy causes the rate to be above the previous statutory rate limit, this is a rate increase under Section 18-190 which must be submitted to direct referendum in order to become effective.
- 4) When a levy for a specific fund is made for the first time, this is a new rate under Section 18-190 without regard to whether it is a new statutory authorization.

c) Computation of the Limiting Rate

- 1) When computing the limiting rate, the incremental equalized assessed value in a tax increment financing district is not included in the current year's equalized assessed value of all real property in the territory under the jurisdiction of the taxing district during the prior levy year.
- 2) When computing the limiting rate, the equalized assessed value in an Enterprise Zone is not included in the current year's equalized assessed value of all real property in the territory under the jurisdiction of the taxing district during the prior levy year to the extent that taxes are abated on this property.

(Source: Amended 20 Ill. Reg. 13611, effective October 3, 1996)