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Commentary: Getting property tax relief through the ballot box

By Pat Quinn



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Pat Quinn served as governor of Illinois from 2009-2015 and taught property tax law at Chicago-Kent College of Law for 25 years.

Ben Franklin once said death and taxes are inevitable, but he never said it's inevitable to be taxed to death. Especially by Illinois' complicated and unfair property tax system with its bewildering array of terms, rules and deadlines designed to be confusing and intimidating to the average property taxpayer.

Illinois has the second-highest property taxes in the nation. The typical Illinois homeowner paid about \$5,055 in property taxes in 2022, more than double the typical American homeowner's bill of \$2,547, according to the most recent census data from 2022.

The Illinois property tax system is not based on ability to pay and places a regressive tax burden on everyday people who live from paycheck to paycheck. As a result, Illinois' excessive reliance on property taxes makes our tax code one of the 10 most unfair codes in the country.

It's time for Illinois' 3,077,768 residential property taxpayers to take charge and reform our state's upside-down tax code to give guaranteed annual property tax relief to millions of Illinoisans who are struggling to stay in their houses.

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This November marks the first time ever that Illinois voters will have a direct referendum opportunity at the ballot box to demand mandatory property tax relief. Earlier this year, the Illinois Property Tax Relief Amendment Referendum was placed on the ballot as a statewide advisory referendum by the Illinois General Assembly.

The referendum asks, "Should the Illinois Constitution be amended to create an additional 3% tax on income greater than \$1,000,000 for the purpose of dedicating funds raised to property tax relief?" By voting "yes," Illinois voters will call for passage of the largest property tax relief measure in state history.

According to the most recent data, Illinois has 77,323 millionaires whose annual income tax returns exceed \$1,000,000 in adjusted gross income. These millionaires account for only 1.2% of Illinois' 6,286,664 income taxpayers but bring in more than 20% of our state's individual income. Year after year, the top 1% take in a rising percentage of the state's total individual income.

A 3% surcharge on this millionaire income would fund at least \$1.5 billion in annual property tax refunds for distribution to more than 3 million Illinois residential property taxpayers. Indeed, a recent millionaire surcharge in Massachusetts enacted by voter initiative and referendum has generated even more revenue for that state's treasury than estimated.

Homeownership and homebuying are essential to the Illinois economy, especially with today's challenges to the cost of living. When I served as Illinois governor a decade ago in 2014, I proposed a tax reform plan to give every Illinois homeowner an annual property tax refund of at least \$500, a refund that would be substantial, permanent and adjusted to inflation.

The General Assembly did not act on my property tax relief proposal back then, but in 2021 passed legislation creating a special fund in the state treasury called the Illinois Property Tax Relief Fund. Under the law, monies in the fund may be used by the state comptroller to pay rebates to residential Illinois property taxpayers eligible for the homestead exemption.

Thus, with the hopeful passage of the Illinois Property Tax Relief Amendment, an efficient mechanism already exists in state government to deliver annual and permanent tax relief to the 3,077,768 Illinois households eligible for residential homestead exemptions.

In addition, 29 states, including Wisconsin, Michigan and Minnesota, have circuit-breaker options for modest income and senior property taxpayers. Circuit breakers prevent homeowners from being "overloaded" by their property tax bills by rebating property taxes paid over a certain amount of their income.

The Illinois Property Tax Relief Amendment can provide funding for both annual property tax refunds and circuit-breaker options for Illinois' 3 million residential property taxpayers. But this property tax relief will only come with strong taxpayer organizing to pass the property tax relief referendum this November.

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In the course of my public life, I have organized voter referendum campaigns that have enacted important and overdue reforms, including the Cutback Amendment that reduced the size of the Illinois Legislature in 1980, the Citizen Utility Board referendums to take on utilities on behalf of consumers in 1983, and the Recall Amendment for gubernatorial recall in 2010. Each time, it was the power of voter referendum that broke through legislative gridlock to get the job done for Illinois voters.

For decades, the Illinois property tax law has violated the biblical principle that taxes should be based on ability to pay. This November, we the people of Illinois have the power to use voter referendum to build a taxpayer movement that reforms Illinois' unfair property tax code in a meaningful way. Anyone interested in helping the cause should visit IllinoisPropertyTaxReliefNow.org.

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