



Illinois Department of Revenue

101 W. Jefferson St.
Springfield, IL 62702

To: Assessing Officials

From: Local Government Services Bureau

Date: November 16, 2021

Memorandum

Adjustments for Certificates of Error, Certain Court Orders, or Final Administrative Decisions of the Property Tax Appeal Board

The Department is issuing the following guidance concerning the newly enacted Public Act 102-0519, which created a new section of the Property Tax Code (35 ILCS 200/18-233). This memorandum is intended to provide guidance regarding the provisions of Section 18-233 that deal with taxing district levy adjustments, reporting requirements, and its applicability to taxing districts that are subject to or not subject to the Property Tax Extension Limitation Law (PTELL).

Section 18-233 of the Code (35 ILCS 200/18-233), which has an effective date of August 20, 2021 provides:

Beginning in levy year 2021, a taxing district levy shall be increased by a prior year adjustment whenever an assessment decrease due to the issuance of a certificate of error, a court order issued pursuant to an assessment valuation complaint under Section 23-15, or a final administrative decision of the Property Tax Appeal Board results in a refund from the taxing district of a portion of the property tax revenue distributed to the taxing district. On or before November 15 of each year, the county treasurer shall certify the aggregate refunds paid by a taxing district during such 12-month period for purposes of this Section. For purposes of the Property Tax Extension Limitation Law, the taxing district's most recent aggregate extension base shall not include the prior year adjustment authorized under this Section.

On November 9, 2021, the Illinois Department of Revenue received an inquiry concerning the application of some of the provisions of Section 18-233. More specifically, this inquiry was as follows:

Our specific inquiry is the meaning of the following sentence within the newly established Section 18-233 of the Property Tax Code which was added by Public Act 102-0519.

It requires: *“On or before November 15 of each year, the county treasurer shall certify the aggregate refunds paid by a taxing district during such 12-month period for purposes of this Section.”*

We seek clarity on the definition of a “12-month period.”

Is it: (1) The prior-year collection cycle; or (2) the literal 12-month period (i.e., November 16 of the prior year to November 15 of the current year, if the certification is made on November 15)?

In addition, there have been other questions, outside of this specific inquiry, about the applicability of Section 18-233 to PTELL and non-PTELL taxing districts. With respect to the overall interpretation of this new section, the Department believes there are three primary mandates under this new section of the Property Tax Code pertaining to (1) taxing district tax levy adjustments; (2) for reporting assessment adjustments; and (3) the impact for purposes of PTELL.

The first sentence of the section provides for a taxing district levy increase beginning in levy year 2021 for adjustments made during the 2020 levy year. This is a natural interpretation based on the language “levy year 2021” and “prior year adjustment.”

“Beginning in levy year 2021, a taxing district levy shall be increased by a prior year adjustment whenever an assessment decrease due to the issuance of a certificate of error, a court order issued pursuant to an assessment valuation complaint under Section 23-15, or a final administrative decision of the Property Tax Appeal Board results in a refund from the taxing district of a portion of the property tax revenue distributed to the taxing district.”

The second sentence in section 18-233 provides:

“On or before November 15 of each year, the county treasurer shall certify the aggregate refunds paid by a taxing district during such 12-month period for purposes of this Section.”

The first two sentences of the section provide for two different and distinct requirements. The first sentence, which there is no dispute about, provides for a taxing district levy adjustment for assessment decreases attributable to certificates of error,

certain court orders and final decisions from the Property Tax Appeal Board. The second sentence addresses the reporting mechanism for the adjustments made pursuant to the first sentence.

Based on the November 15 language, the Department believes the interpretation of the actual language would be the 12-month period from November 15 to November 15, which is separate from the tax year or levy year parameters established by the first sentence and its requirement of adjusting the levy. Thus, the adjustments to account for the assessment decreases attributable to certificates of error, courts orders and final Property Tax Appeal Board decisions are made based on tax year/levy year, while the reporting requirements are based on the adjustments that were made between November 15 and November 15 of a given year regardless of the particular tax year/levy year.

The last issue concerns the third sentence and whether Section 18-233 applies to all taxing districts or merely taxing districts that are subject to the Property Tax Extension Limitation Law. The third sentence states:

“For purposes of the Property Tax Extension Limitation Law, the taxing district’s most recent aggregate extension base shall not include the prior year adjustment authorized under this Section.”

The Department finds that, because Section 18-233 is located within the Property Tax Code and there is no restrictive language limiting its applicability to PTELL districts only, the application of the section should be for all taxing districts. The intent of the statute seems targeted for taxing districts that have lost equalized assessed value following reductions for certificates of error, court orders and Property Tax Appeal Board decisions.

There is no indication in the first two sentences that appear to limit the adjustments and the reporting requirement to only taxing districts subject to PTELL. Furthermore, this interpretation is further supported because the third sentence starts with, “[f]or purposes of the Property Tax Extension Limitation Law,” which makes a clarification how this section would impact a PTELL taxing district. The insertion of this language would be superfluous if the rest of the section did not apply to all counties.

In summary, the Department interprets Section 18-233 as follows:

1. The first sentence of the section provides for a taxing district levy adjustment for assessment decreases attributable to certificates of error, certain court orders and final decisions from the Property Tax Appeal Board. These additional levies are for tax year/levy year to tax year/levy year, starting in 2021.

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2. The reporting period, as required by the second sentence in the section, is from November 15 to November 15.
3. Section 18-233 applies to all taxing districts, not just PTELL taxing districts.