



The National Agricultural Law Center

nationalaglawcenter.org | nataglaw@uark.edu | [@nataglaw](https://twitter.com/nataglaw)

States' Differential Tax Assessment of Agricultural Land Statutes

Illinois



This material is based upon work supported by the National Agricultural Library, Agricultural Research Service, U.S. Department of Agriculture

A National Agricultural Law Center Research Publication

States' Differential Tax Assessment of Agricultural Land Statutes State of Illinois

[35 Ill. Comp. Stat. 200, art. 10, div. 6](#)

Current through P.A. 100-1174 of the 2018 Reg. Sess.

200/10–110. Farmland

§ 10-110. Farmland. The equalized assessed value of a farm, as defined in Section 1-60 and if used as a farm for the 2 preceding years, except tracts subject to assessment under Section 10-145, shall be determined as described in Sections 10-115 through 10-140. To assure proper implementation of Sections 10-110 through 10-140, the Department may withhold non-farm multipliers for any county other than a county with more than 3,000,000 inhabitants that classifies property for tax purposes.

200/10–115. Department Guidelines and Valuations for Farmland

§ 10-115. Department guidelines and valuations for farmland. The Department shall issue guidelines and recommendations for the valuation of farmland to achieve equitable assessment within and between counties.

The Director of Revenue shall appoint a five-person Farmland Assessment Technical Advisory Board, consisting of technical experts from the colleges or schools of agriculture of the State universities and State and federal agricultural agencies, to advise in and provide data and technical information needed for implementation of this Section.

By May 1 of each year, the Department shall certify to each chief county assessment officer the following, calculated from data provided by the Farmland Technical Advisory Board, on a per acre basis by soil productivity index for harvested cropland, using moving averages for the most recent 5-year period for which data are available:

- (a) gross income, estimated by using yields per acre as assigned to soil productivity indices, the crop mix for each soil productivity index as determined by the College of Agriculture of the University of Illinois and average prices received by farmers for principal crops as published by the Illinois Crop Reporting Service;
- (b) production costs, other than land costs, provided by the College of Agriculture of the University of Illinois;
- (c) net return to land, which shall be the difference between (a) and (b) above;



- (d) a proposed agricultural economic value determined by dividing the net return to land by the moving average of the Federal Land Bank farmland mortgage interest rate as calculated by the Department;
- (e) the equalized assessed value per acre of farmland for each soil productivity index, which shall be 33-1/3% of the agricultural economic value, or the percentage as provided under Section 17-5; but any increase or decrease in the equalized assessed value per acre by soil productivity index shall not exceed 10% from the immediate preceding year's soil productivity index certified assessed value of the median cropped soil; in tax year 2015 only, that 10% limitation shall be reduced by \$5 per acre;
- (f) a proposed average equalized assessed value per acre of cropland for each individual county, weighted by the distribution of soils by productivity index in the county; and
- (g) a proposed average equalized assessed value per acre for all farmland in each county, weighted (i) to consider the proportions of all farmland acres in the county which are cropland, permanent pasture, and other farmland, and (ii) to reflect the valuations for those types of land and debasements for slope and erosion as required by Section 10-125.

200/10–120. County Farmland Assessment Review Committee

§ 10-120. County Farmland Assessment Review Committee. A County Farmland Assessment Review

Committee (hereafter referred to as the Committee) shall be established in each county to advise the chief county assessment officer on the interpretation and application of the State-certified farmland values, guidelines and the implementation of this Section. The Committee shall consist of 5 members: the chief county assessment officer or his or her designee, the Chairman of the County Board of Review or another member of that Board appointed by the Chairman, and 3 farmers appointed by the Chairman of the County Board. The County Board of each county may fix the compensation of members of the Committee for attendance at meetings of the committee. The chief county assessment officer or designee shall be chairman and shall convene the Committee on or about May 1 of each year. The Committee may solicit public input.

Each chief county assessment officer shall present annually to the Committee the farmland valuation procedure to be used in that county and the equalized assessed valuations by productivity index to be used for the next assessment year. On or about June 1, the Committee shall hold a public hearing on the equalized assessed values of farmland proposed by the Department and the implementation of the procedures proposed by the chief county assessment officer. If the Committee concurs with the procedures and valuations, the chief county assessment officer shall proceed with the farmland assessment process. If the Committee objects to the procedures or valuations proposed, the Committee shall make



alternate recommendations to the Department by August 1. The Department shall rule within 30 days and direct the chief county assessment officer to implement the ruling. The Committee may appeal the Department's ruling to the Property Tax Appeal Board within 30 days. The Property Tax Appeal Board shall be the final authority in any appeal and its decisions under this paragraph shall not be subject to the Administrative Review Law. Appeals by the Committee shall be heard by the Property Tax Appeal Board within 30 days of receipt; a decision must be rendered within 60 days of receipt, and not later than December 31 of the year preceding the assessment year. Appeals by the Committee of any county shall take precedence over all individual taxpayer appeals.

200/10–125. Assessment Level by Type of Farmland

§ 10-125. Assessment level by type of farmland. Cropland, permanent pasture and other farmland shall be defined according to U.S. Census Bureau definitions in use during that assessment year and assessed in the following way:

- (a) Cropland shall be assessed in accordance with the equalized assessed value of its soil productivity index as certified by the Department and shall be debased to take into account factors including, but not limited to, slope, drainage, ponding, flooding, and field size and shape.
- (b) Permanent pasture shall be assessed at $\frac{1}{3}$ of its debased productivity index equalized assessed value as cropland.
- (c) Other farmland shall be assessed at $\frac{1}{6}$ of its debased productivity index equalized assessed value as cropland.
- (d) Wasteland shall be assessed on its contributory value to the farmland parcel. In no case shall the equalized assessed value of permanent pasture be below $\frac{1}{3}$, nor the equalized assessed value of other farmland, except wasteland, be below $\frac{1}{6}$, of the equalized assessed value per acre of cropland of the lowest productivity index certified under Section 10-115.

200/10–130. Farmland Valuation; Counties of 3,000,000 or More

§ 10-130. Farmland valuation; counties of 3,000,000 or more. In counties with more than 3,000,000 inhabitants, the equalized assessed value per acre of farmland shall be the lesser of either 16% of the fair cash value of the farmland estimated at the price it would bring at a fair, voluntary sale for use by the buyer as a farm as defined in Section 1-60, or 90% of the 1983 average equalized assessed value per acre certified by the Department.

200/10–135. Farmland Not Subject to Equalization

§ 10-135. Farmland not subject to equalization. The assessed valuation of farmland assessed under Sections 10-110 through 10-130 shall not be subject to equalization by means of State



equalization factors. Equalization factors applied by a chief county assessment officer or a Board of Review under Sections 9-205 and 16-60 shall be applied to assessments of farmland only to achieve assessments as required by Sections 10-110 through 10-130.

200/10–140. Other Improvements

§ 10-140. Other improvements. Improvements other than the dwelling, appurtenant structures and site, including, but not limited to, roadside stands and buildings used for storing and protecting farm machinery and equipment, for housing livestock or poultry, or for storing feed, grain or any substance that contributes to or is a product of the farm, shall have an equalized assessed value of 33 ⅓ % of their value, based upon the current use of those buildings and their contribution to the productivity of the farm.

200/10–145. Farm Dwellings

§ 10-145. Farm dwellings. Each farm dwelling and appurtenant structures and the tract upon which they are immediately situated shall be assessed by the local assessing officials at 33 ⅓ % of fair cash value except that in counties that classify property for purposes of taxation in accordance with Section 4 of Article IX of the Constitution they shall be assessed at the percentage of fair cash value as required by county ordinance. That assessment shall be subject to equalization by the Department under Sections 17-5 through 17-30.

200/10–147. Former Farm; Open Space

§ 10-147. Former farm; open space. Beginning with the 1992 assessment year, the equalized assessed value of any tract of real property that has not been used as a farm for 20 or more consecutive years shall not be determined under Sections 10-110 through 10-140. If no other use is established, the tract shall be considered to be used for open space purposes and its valuation shall be determined under Sections 10155 through 10-165.

200/10–150. Property Under Forestry Management Plan

§ 10-150. Property under forestry management plan. In counties with less than 3,000,000 inhabitants, any land being managed under a forestry management plan accepted by the Department of Natural Resources under the Illinois Forestry Development Act shall be considered as “other farmland” and shall be valued at 1/6 of its productivity index equalized assessed value as cropland. In counties with more than 3,000,000 inhabitants, any land totalling 15 acres or less for which an approved forestry management plan was in effect on or before December 31, 1985, shall be considered “other farmland”. The Department of Natural Resources shall inform the Department and each chief county assessment officer of each parcel of land covered by an approved forestry management plan.

200/10–152. Vegetative Filter Strip Assessment

§ 10-152. Vegetative filter strip assessment.

- (a) In counties with less than 3,000,000 inhabitants, any land (i) that is located between a farm field and an area to be protected, including but not limited to surface water, a stream, a river, or a sinkhole and (ii) that meets the



requirements of subsection (b) of this Section shall be considered a “vegetative filter strip” and valued at 1/6th of its productivity index equalized assessed value as cropland. In counties with 3,000,000 or more inhabitants, the land shall be valued at the lesser of either (i) 16% of the fair cash value of the farmland estimated at the price it would bring at a fair, voluntary sale for use by the buyer as a farm as defined in Section 1-60 or (ii) 90% of the 1983 average equalized assessed value per acre certified by the Department of Revenue.

- (b) Vegetative filter strips shall meet the standards and specifications set forth in the Natural Resources Conservation Service Technical Guide and shall contain vegetation that (i) has a dense top growth; (ii) forms a uniform ground cover; (iii) has a heavy fibrous root system; and (iv) tolerates pesticides used in the farm field.
- (c) The county's soil and water conservation district shall assist the taxpayer in completing a uniform certified document as prescribed by the Department of Revenue in cooperation with the Association of Illinois Soil and Water Conservation Districts that certifies (i) that the property meets the requirements established under this Section for vegetative filter strips and (ii) the acreage or square footage of property that qualifies for assessment as a vegetative filter strip. The document shall be filed by the applicant with the Chief County Assessment Officer. The Chief County Assessment Officer shall promulgate rules concerning the filing of the document. The soil and water conservation district shall create a conservation plan for the creation of the filter strip. The plan shall be kept on file in the soil and water conservation district office. Nothing in this Section shall be construed to require any taxpayer to have vegetative filter strips.
- (d) A joint report by the Department of Agriculture and the Department of Natural Resources concerning the effect and impact of vegetative filter strip assessment shall be submitted to the General Assembly by March 1, 2006.
- (e) This Section is repealed on December 31, 2026.

200/10–153. Non-Clear Cut Assessment

§ 10-153. Non-clear cut assessment. Land that (i) is not located in a unit of local government with a population greater than 500,000, (ii) is located within 15 yards of waters listed by the Department of Natural Resources under Section 5 of the Rivers, Lakes, and Streams Act as navigable, and (iii) has not been clear cut of trees, as defined in Section 29a of the Rivers, Lakes, and Streams Act, shall be valued at 1/12 th of its productivity index equalized assessed value as cropland.

200/10–155. Open Space Land; Valuation

§ 10-155. Open space land; valuation. In all counties, in addition to valuation as otherwise permitted by law, land which is used for open space purposes and has been so used for the 3



years immediately preceding the year in which the assessment is made, upon application under Section 10-160, shall be valued on the basis of its fair cash value, estimated at the price it would bring at a fair, voluntary sale for use by the buyer for open space purposes.

Land is considered used for open space purposes if it is more than 10 acres in area and:

- (a) is actually and exclusively used for maintaining or enhancing natural or scenic resources,
- (b) protects air or streams or water supplies,
- (c) promotes conservation of soil, wetlands, beaches, or marshes, including ground cover or planted perennial grasses, trees and shrubs and other natural perennial growth, and including any body of water, whether man-made or natural,
- (d) conserves landscaped areas, such as public or private golf courses,
- (e) enhances the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations, sanctuaries, or other open spaces, or
- (f) preserves historic sites.

Land is not considered used for open space purposes if it is used primarily for residential purposes.

If the land is improved with a water-retention dam that is operated primarily for commercial purposes, the water-retention dam is not considered to be used for open space purposes despite the fact that any resulting man-made lake may be considered to be used for open space purposes under this Section.

200/10–160. Open Space; Application Process

§ 10-160. Open space; application process. In counties with 3,000,000 or more inhabitants, the person liable for taxes on land used for open space purposes must file a verified application requesting the additional open space valuation with the chief county assessment officer by January 31 of each year for which that valuation is desired. For taxable years prior to 2011, in counties with less than 3,000,000 inhabitants, the person liable for taxes on land used for open space purposes must file a verified application requesting the additional open space valuation with the chief county assessment officer by January 31 of each year for which that valuation is desired. For taxable year 2011 and thereafter, in counties with less than 3,000,000 inhabitants, the person liable for taxes on land used for open space purposes must file a verified application requesting the additional open space valuation with the chief county assessment officer by June 30 of each year for which that valuation is desired. If the application is not filed by January 31 or June 30, as applicable, the taxpayer waives the right to claim that additional valuation for that year. The application shall be in the form prescribed by the Department and contain information as may reasonably be required to determine whether the applicant meets the requirements of Section 10-155. If the application shows the applicant is entitled to the



valuation, the chief county assessment officer shall approve it; otherwise, the application shall be rejected.

When such an application has been filed with and approved by the chief county assessment officer, he or she shall determine the valuation of the land as otherwise permitted by law and as required under Section 10-155, and shall list those valuations separately. The county clerk, in preparing assessment books, lists and blanks under Section 9-100, shall include therein columns for indicating the approval of an application and for setting out the two separate valuations.

200/10–165. Land No Longer Used for Open Space

§ 10-165. Land no longer used for open space. When any portion of the land described in any application filed under Section 10-160 is no longer used for open space purposes, the person liable for taxes on that land must notify the chief county assessment officer, in writing.

The person shall pay to the county treasurer, by the following September 1, the difference between the taxes paid in the 3 preceding years as based on a valuation under Section 10-155 and what the taxes for those years would have been when based on the valuation as otherwise permitted by law, together with 5% interest. If this difference is not paid by the following September 1, the amount of that difference shall be considered as delinquent taxes.

200/10–166. Registered Land or Land Encumbered by Conservation Rights; Valuation

§ 10-166. Registered land or land encumbered by conservation rights; valuation. Except in counties with more than 200,000 inhabitants that classify property for the purpose of taxation, to the extent any portion of any lot, parcel, or tract of land is (i) registered in perpetuity under Section 16 of the Illinois Natural Areas Preservation Act, or (ii) encumbered in perpetuity by a conservation right, as defined in the Real Property

Conservation Rights Act, if the conservation right has been conveyed and accepted in accordance with Section 2 of the Real Property Conservation Rights Act, recorded under Section 5 of that Act, and yields a public benefit as defined in Section 10-167 of this Act, upon application under Section 10-168, the portion of the lot, parcel, or tract of land registered or encumbered shall be valued at 8 ⅓ % of its fair market value estimated as if it were not registered or encumbered; and any improvement, dwelling, or other appurtenant structure present on any registered or encumbered portion of land shall be valued at 33 ⅓ % of its fair market value. Beginning with the 1995 tax year in counties with more than 200,000 inhabitants that classify property for the purpose of taxation, to the extent any portion of a lot, parcel, or tract of land is (i) registered in perpetuity under Section 16 of the Illinois Natural Areas Preservation Act or (ii) encumbered in perpetuity by a conservation right, as defined in the Real Property Conservation Rights Act, if the conservation right has been conveyed and accepted in accordance with Section 2 of the Real Property Conservation Rights Act, recorded under Section 5 of that Act, and yields a public benefit as defined in Section 10-167 of this Code, upon application under Section 10-168, the portion of the lot, parcel, or tract of land registered or encumbered shall be valued at 25% of that percentage of its fair market value established under this Code, by an ordinance adopted under Section 4 of Article IX of the Illinois Constitution, or both, as the case may be; and any improvement, dwelling, or other



appurtenant structure present on any registered or encumbered portion of the land shall be valued at that percentage of fair market value established under this Code, by an ordinance adopted under Section 4 of Article IX of the Illinois Constitution, or both, as the case may be. To qualify for valuation under this Section, the registration agreement or conservation right establishing an encumbrance shall prohibit the construction of any other structure on the registered or encumbered land except replacement structures, no larger than the previous structures which are replaced, that do not interfere with or destroy the registration or conservation right.

The valuation provided for in this Section shall not apply to any land that has been valued as open space land under Section 10-155.

200/10–167. Definition of Public Benefit; Certification

§ 10-167. Definition of public benefit; certification.

(a) A conservation right on land shall be considered to provide a demonstrated public benefit if the Department of Natural Resources certifies that it protects in perpetuity at least one of the following:

- (1) Land providing a regular opportunity for public access to outdoor recreation or outdoor education.
- (2) Land preserving habitat for State or federal endangered or threatened species or federal candidate species as defined in the Code of Federal Regulations (50 CFR 424.02).
- (3) Land identified in the Illinois Natural Areas Inventory.
- (4) Land determined to be eligible for registration under Section 16 of the Illinois Natural Areas Preservation Act.
- (5) Land contributing to the ecological viability of a park, conservation area, nature preserve, or other high quality native terrestrial or aquatic area that is publicly owned or otherwise protected.
- (6) Land included in, or consistent with a federal, State, regional, or local government policy or plan for the conservation of wildlife habitat or open space, for the restoration or protection of lakes and streams, or for the protection of scenic areas.

(b) The person liable for taxes on the land shall submit an application to the Department of Natural Resources requesting certification that the land meets one of the criteria established in subsection (a). The application shall be in a form furnished by the Department of Natural Resources. Within 30 days of receipt of a complete and correct application for certification, the Department of Natural



Resources shall determine whether the land encumbered by a conservation right provides a demonstrated public benefit and shall inform the applicant in writing of the decision.

200/10–168. Valuation of Registered Land or Land Encumbered by Conservation Rights; Application Process

§ 10-168. Valuation of registered land or land encumbered by conservation rights; application process.

(a) The person liable for taxes on land eligible for assessment under Section 10-166 must file a verified application requesting the registered land or conservation rights valuation with the chief county assessment officer by January 31 of the first year that the valuation is desired. If the application is not filed by January 31, the taxpayer waives the right to claim that valuation for that year. The application shall be in the form prescribed by the Department and shall contain information as may reasonably be required to determine whether the applicant meets the requirements of Section 10-166. If the application shows the applicant is entitled to the valuation, the chief county assessment officer shall approve it and maintain that valuation until notified as provided in Section 10-169. Otherwise, the application shall be rejected. The application shall be accompanied by the certification provided for in Section 10-167, if required.

(b) When the application has been filed with and approved by the chief county assessment officer, he or she shall determine the valuation of the land as otherwise permitted by law and as required under Section 10-166, and shall keep a record of that valuation.

200/10–169. Land NO Longer Registered or Encumbered by Conservation Rights

§ 10-169. Land no longer registered or encumbered by conservation rights.

(a) In the event the registration agreement or conservation right by which a portion of land has been valued under Section 10-166 is released or amended and for purposes of a conservation right has the effect of substantially diminishing the public benefit, the person liable for taxes on the land shall notify the chief county assessment officer in writing by certified mail within 30 days after the release or amendment. The person liable for taxes on the land that is no longer registered or encumbered by the conservation right shall pay the county collector, by the following September 1, the difference between the taxes paid in the 10 preceding years or, in the event the reduced valuation has been in effect for less than 10 preceding years, the difference between the taxes for the years the reduced valuation has been in effect as based on a valuation under Section 10-166 and what the taxes for those years would have been when based on the valuation as otherwise permitted by this Code, by ordinance adopted under Section 4 of Article IX of the Illinois Constitution, or both, as the case may be, together with 10% interest. If the difference is not paid by the following September 1, the amount of that difference shall be considered as delinquent taxes. In the event the person liable for taxes on the land fails to notify the chief county assessment officer in writing by certified mail within 30 days after the



release or amendment of the conservation rights, the property shall be treated as omitted property under the provisions of this Code.

(b) Subsection (a) shall not apply if:

- (1) the registration agreement or conservation right is released, terminated, or extinguished pursuant to an acquisition by eminent domain of the land registered or encumbered by the conservation right, provided that for purposes of a conservation right the compensation for the conservation right is paid to the grantee of the conservation right; or
- (2) the registration agreement or conservation right is released, terminated, or extinguished in an involuntary judicial proceeding, provided that for purposes of a conservation right all of the proceeds from a sale, exchange, or involuntary conversion of the conservation right are paid to the grantee of the conservation right; or
- (3) the conservation right is released, terminated, or extinguished by the grantee of the conservation right without the consent of the owner of the property encumbered by the conservation right, provided that the owner of the encumbered property subsequently conveys or, in good faith and in cooperation with the Department of Natural Resources, attempts to convey a new conservation right that encumbers the same property and qualifies for valuation under Section 10-166 within 12 months of the release, termination, or extinguishment of the prior conservation right.

