SUBSEQUENT TAXES (SUBS)

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Statute: 35 ILCS 200/21-355

Subsequent taxes refer to the unpaid property taxes that accrue in the years following an initial delinquent tax sale. When a property owner fails to pay their annual property taxes, the county sells the tax lien (the "certificate of purchase") to a registered "tax buyer" at a tax sale. The original property owner then enters a redemption period during which they can redeem their back taxes in the County Clerk's office.
Subsequent taxes are the property taxes for the years after the initial sale that also go unpaid. The original tax buyer has the option to pay these subsequently occurring taxes and add those amounts, plus a 12% per year penalty, to the total redemption amount the property owner must pay to redeem the property.

Key Aspects:

- Payment Timing: A tax buyer can typically only pay a subsequent tax after the second installment becomes delinquent.
- Exception: If the tax buyer has already initiated legal proceedings to obtain the tax deed by filing a petition with the court, they do not have to wait for the second installment to become delinquent and can pay the subsequent taxes as soon as the bills are mailed. Tax buyers and County Trustee need to show proof that the petition for tax deed has been filed prior to processing subs. See statute 35 ILCS 200/22-35c for reference.
- Owner's Responsibility: The property owner remains responsible for paying their current taxes. Any current year payments made by the owner will reduce the amount the tax buyer can purchase as a sub tax after second installment due date.

County Collector Procedures:

JEM will provide a list of real estate parcels and mobile homes (if sold) to the county treasurer. Once received, have county clerk's office check for any redemptions and notate on the provided JEM report. After the final due date and current tax payments are processed, post all delinquent taxes for the real estate parcels and mobile homes that have open trustee certificates as subsequent taxes. Please note there is an exception to the timing listed above. Upon completion, send JEM a report and the exported data files if available.

Click here for an example of a Subsequent Tax Packet for Real Estate and Mobile Home ☐

Click here for an example of a Subsequent Tax Packet prior to Tax Deed for Real Estate and Mobile Home ☐

Please contact your tax software company directly for instructions on how to process subsequent taxes for trustee parcels.

JEM Procedures:
JEM will review the sub tax report/file and submit an audited sub tax report to the treasurer. This audited report will contain the real estate parcels and mobile homes that are missing from the original sub tax report. JEM needs to know why sub taxes were not posted. There are several reasons as to why subs may have not been posted which may include but are not limited to 1. The taxes were paid and if so, by who? 2. The parcel is now exempt. 3. The parcel is now obsolete. 4. The parcel was combined or split into a new parcel.

Click here for an example of an Open Trustee Certificates with Paid Subs ☐

JEM will also provide an Exhibit A Listing. The possible reasons as to why parcels and mobile homes are listed on Exhibit A may include but not limited to 1. We are about to take parcel with tax deed. 2. It has been added to a payment plan account. 3. Do not sell mobiles for which we already have an order for title.

Third Sub information: The statute allows posting of sub taxes after petitioning for deed. If the current year tax bills have been mailed at least 30 days prior to redemption expiration, then the current year tax should be posted as a sub tax. If not, then the current year taxes will be listed on Exhibit A. See Statute 35 ILCS 200/21-360 for reference.