



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB2666

by Rep. Rita Mayfield

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-166 new
35 ILCS 200/15-167
35 ILCS 200/15-169

Amends the Property Tax Code. Creates a veterans' standard homestead exemption. Provides that the exemption applies only for the first taxable year after the veteran acquires an ownership interest in the property. Provides that the amount of the exemption is a reduction from the property's equalized assessed value in the amount of: (1) \$5,000 if the property has an equalized assessed value of \$250,000 or less; or (2) \$10,000 if the property has an equalized assessed value of more than \$250,000. Effective immediately.

LRB100 08461 HLH 18579 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
5 Sections 15-167 and 15-169 and by adding Section 15-166 as
6 follows:

7 (35 ILCS 200/15-166 new)

8 Sec. 15-166. Veterans' Standard Homestead Exemption.

9 (a) Beginning with taxable year 2017, a homestead
10 exemption, as provided in subsection (b), is granted for
11 property that is owned and occupied as the principal residence
12 of a veteran. The exemption under this Section applies only for
13 the first taxable year after the veteran acquires an ownership
14 interest in the property. As of January 1 of the taxable year
15 for which the exemption is granted, the veteran must be an
16 owner of record of the property or have a legal or equitable
17 interest therein as evidenced by a written instrument, except
18 for a leasehold interest, other than a leasehold interest of
19 land on which a single family residence is located, which is
20 occupied as the principal residence of a veteran who (i) has an
21 ownership interest therein, legal, equitable or as a lessee,
22 and (ii) is liable for the payment of property taxes.

23 (b) The amount of the exemption is a reduction from the

1 property's equalized assessed value in the amount of:

2 (1) \$5,000 if the property has an equalized assessed
3 value of \$250,000 or less; or

4 (2) \$10,000 if the property has an equalized assessed
5 value of more than \$250,000.

6 (c) Application for the exemption granted under this
7 Section must be made during the application period in effect
8 for the county of residence. The assessor or chief county
9 assessment officer may determine the eligibility of
10 residential property to receive the homestead exemption
11 provided by this Section by application, visual inspection,
12 questionnaire, or other reasonable methods. The determination
13 must be made in accordance with guidelines established by the
14 Department.

15 (d) A taxpayer who claims an exemption under Section
16 15-165, 15-167, 15-168, or 15-169 may not claim an exemption
17 under this Section.

18 (e) For land improved with (i) an apartment building owned
19 and operated as a cooperative or (ii) a life care facility as
20 defined under Section 2 of the Life Care Facilities Act that is
21 considered to be a cooperative, the maximum reduction from the
22 value of the property, as equalized or assessed by the
23 Department, shall be multiplied by the number of apartments or
24 units occupied by a veteran who qualifies for an exemption
25 under this Section. If a homestead exemption is granted under
26 this Section, the cooperative association or management firm

1 shall credit the savings resulting from the exemption to the
2 apportioned tax liability of the veteran. The chief county
3 assessment officer may request reasonable proof that the
4 association or firm has properly credited the exemption. A
5 person who willfully refuses to credit an exemption as required
6 under this subsection (e) is guilty of a Class B misdemeanor.

7 (f) For purposes of the exemption under this Section,
8 "veteran" means an Illinois resident who has served as a member
9 of the United States Armed Forces, a member of the Illinois
10 National Guard, or a member of the United States Reserve
11 Forces.

12 (35 ILCS 200/15-167)

13 Sec. 15-167. Returning Veterans' Homestead Exemption.

14 (a) Beginning with taxable year 2007, a homestead
15 exemption, limited to a reduction set forth under subsection
16 (b), from the property's value, as equalized or assessed by the
17 Department, is granted for property that is owned and occupied
18 as the principal residence of a veteran returning from an armed
19 conflict involving the armed forces of the United States who is
20 liable for paying real estate taxes on the property and is an
21 owner of record of the property or has a legal or equitable
22 interest therein as evidenced by a written instrument, except
23 for a leasehold interest, other than a leasehold interest of
24 land on which a single family residence is located, which is
25 occupied as the principal residence of a veteran returning from

1 an armed conflict involving the armed forces of the United
2 States who has an ownership interest therein, legal, equitable
3 or as a lessee, and on which he or she is liable for the payment
4 of property taxes. For purposes of the exemption under this
5 Section, "veteran" means an Illinois resident who has served as
6 a member of the United States Armed Forces, a member of the
7 Illinois National Guard, or a member of the United States
8 Reserve Forces.

9 (b) In all counties, the reduction is \$5,000 for the
10 taxable year in which the veteran returns from active duty in
11 an armed conflict involving the armed forces of the United
12 States; however, if the veteran first acquires his or her
13 principal residence during the taxable year in which he or she
14 returns, but after January 1 of that year, and if the property
15 is owned and occupied by the veteran as a principal residence
16 on January 1 of the next taxable year, he or she may apply the
17 exemption for the next taxable year, and only the next taxable
18 year, after he or she returns. Beginning in taxable year 2010,
19 the reduction shall also be allowed for the taxable year after
20 the taxable year in which the veteran returns from active duty
21 in an armed conflict involving the armed forces of the United
22 States. For land improved with an apartment building owned and
23 operated as a cooperative, the maximum reduction from the value
24 of the property, as equalized by the Department, must be
25 multiplied by the number of apartments or units occupied by a
26 veteran returning from an armed conflict involving the armed

1 forces of the United States who is liable, by contract with the
2 owner or owners of record, for paying property taxes on the
3 property and is an owner of record of a legal or equitable
4 interest in the cooperative apartment building, other than a
5 leasehold interest. In a cooperative where a homestead
6 exemption has been granted, the cooperative association or the
7 management firm of the cooperative or facility shall credit the
8 savings resulting from that exemption only to the apportioned
9 tax liability of the owner or resident who qualified for the
10 exemption. Any person who willfully refuses to so credit the
11 savings is guilty of a Class B misdemeanor.

12 (c) Application must be made during the application period
13 in effect for the county of his or her residence. The assessor
14 or chief county assessment officer may determine the
15 eligibility of residential property to receive the homestead
16 exemption provided by this Section by application, visual
17 inspection, questionnaire, or other reasonable methods. The
18 determination must be made in accordance with guidelines
19 established by the Department.

20 (d) Except as provided in subsection (d) of Section 15-166,
21 the ~~The~~ exemption under this Section is in addition to any
22 other homestead exemption provided in this Article 15.
23 Notwithstanding Sections 6 and 8 of the State Mandates Act, no
24 reimbursement by the State is required for the implementation
25 of any mandate created by this Section.

26 (Source: P.A. 96-1288, eff. 7-26-10; 96-1418, eff. 8-2-10;

1 97-333, eff. 8-12-11.)

2 (35 ILCS 200/15-169)

3 Sec. 15-169. Homestead exemption for veterans with
4 disabilities.

5 (a) Beginning with taxable year 2007, an annual homestead
6 exemption, limited to the amounts set forth in subsections (b)
7 and (b-3), is granted for property that is used as a qualified
8 residence by a veteran with a disability.

9 (b) For taxable years prior to 2015, the amount of the
10 exemption under this Section is as follows:

11 (1) for veterans with a service-connected disability
12 of at least (i) 75% for exemptions granted in taxable years
13 2007 through 2009 and (ii) 70% for exemptions granted in
14 taxable year 2010 and each taxable year thereafter, as
15 certified by the United States Department of Veterans
16 Affairs, the annual exemption is \$5,000; and

17 (2) for veterans with a service-connected disability
18 of at least 50%, but less than (i) 75% for exemptions
19 granted in taxable years 2007 through 2009 and (ii) 70% for
20 exemptions granted in taxable year 2010 and each taxable
21 year thereafter, as certified by the United States
22 Department of Veterans Affairs, the annual exemption is
23 \$2,500.

24 (b-3) For taxable years 2015 and thereafter:

25 (1) if the veteran has a service connected disability

1 of 30% or more but less than 50%, as certified by the
2 United States Department of Veterans Affairs, then the
3 annual exemption is \$2,500;

4 (2) if the veteran has a service connected disability
5 of 50% or more but less than 70%, as certified by the
6 United States Department of Veterans Affairs, then the
7 annual exemption is \$5,000; and

8 (3) if the veteran has a service connected disability
9 of 70% or more, as certified by the United States
10 Department of Veterans Affairs, then the property is exempt
11 from taxation under this Code.

12 (b-5) If a homestead exemption is granted under this
13 Section and the person awarded the exemption subsequently
14 becomes a resident of a facility licensed under the Nursing
15 Home Care Act or a facility operated by the United States
16 Department of Veterans Affairs, then the exemption shall
17 continue (i) so long as the residence continues to be occupied
18 by the qualifying person's spouse or (ii) if the residence
19 remains unoccupied but is still owned by the person who
20 qualified for the homestead exemption.

21 (c) The tax exemption under this Section carries over to
22 the benefit of the veteran's surviving spouse as long as the
23 spouse holds the legal or beneficial title to the homestead,
24 permanently resides thereon, and does not remarry. If the
25 surviving spouse sells the property, an exemption not to exceed
26 the amount granted from the most recent ad valorem tax roll may

1 be transferred to his or her new residence as long as it is
2 used as his or her primary residence and he or she does not
3 remarry.

4 (c-1) Beginning with taxable year 2015, nothing in this
5 Section shall require the veteran to have qualified for or
6 obtained the exemption before death if the veteran was killed
7 in the line of duty.

8 (d) The exemption under this Section applies for taxable
9 year 2007 and thereafter. A taxpayer who claims an exemption
10 under Section 15-165, 15-166, or 15-168 may not claim an
11 exemption under this Section.

12 (e) Each taxpayer who has been granted an exemption under
13 this Section must reapply on an annual basis. Application must
14 be made during the application period in effect for the county
15 of his or her residence. The assessor or chief county
16 assessment officer may determine the eligibility of
17 residential property to receive the homestead exemption
18 provided by this Section by application, visual inspection,
19 questionnaire, or other reasonable methods. The determination
20 must be made in accordance with guidelines established by the
21 Department.

22 (f) For the purposes of this Section:

23 "Qualified residence" means real property, but less any
24 portion of that property that is used for commercial purposes,
25 with an equalized assessed value of less than \$250,000 that is
26 the primary residence of a veteran with a disability. Property

1 rented for more than 6 months is presumed to be used for
2 commercial purposes.

3 "Veteran" means an Illinois resident who has served as a
4 member of the United States Armed Forces on active duty or
5 State active duty, a member of the Illinois National Guard, or
6 a member of the United States Reserve Forces and who has
7 received an honorable discharge.

8 (Source: P.A. 98-1145, eff. 12-30-14; 99-143, eff. 7-27-15;
9 99-375, eff. 8-17-15; 99-642, eff. 7-28-16.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.