



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB2467

by Rep. David Harris

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-7 new  
35 ILCS 200/15-172  
35 ILCS 200/15-175  
35 ILCS 200/15-177

Amends the Property Tax Code. Provides that, if a taxpayer must have an income that is at or below a certain amount in order to qualify for an exemption, then, for the purposes of that exemption, the term "income" does not include Social Security benefits unless expressly stated otherwise. Effective immediately.

LRB098 09367 HLH 39508 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 15-172, 15-175, and 15-177 and by adding Section 15-7  
6 as follows:

7 (35 ILCS 200/15-7 new)

8 Sec. 15-7. Income limits; Social Security. Beginning with  
9 the 2012 assessment year, if, in order to qualify for an  
10 exemption under this Article 15, the taxpayer must have an  
11 income that is at or below a certain amount, then, for the  
12 purposes of that exemption, the term "income" does not include  
13 any Social Security benefit unless expressly stated otherwise  
14 in this Code.

15 (35 ILCS 200/15-172)

16 Sec. 15-172. Senior Citizens Assessment Freeze Homestead  
17 Exemption.

18 (a) This Section may be cited as the Senior Citizens  
19 Assessment Freeze Homestead Exemption.

20 (b) As used in this Section:

21 "Applicant" means an individual who has filed an  
22 application under this Section.

1 "Base amount" means the base year equalized assessed value  
2 of the residence plus the first year's equalized assessed value  
3 of any added improvements which increased the assessed value of  
4 the residence after the base year.

5 "Base year" means the taxable year prior to the taxable  
6 year for which the applicant first qualifies and applies for  
7 the exemption provided that in the prior taxable year the  
8 property was improved with a permanent structure that was  
9 occupied as a residence by the applicant who was liable for  
10 paying real property taxes on the property and who was either  
11 (i) an owner of record of the property or had legal or  
12 equitable interest in the property as evidenced by a written  
13 instrument or (ii) had a legal or equitable interest as a  
14 lessee in the parcel of property that was single family  
15 residence. If in any subsequent taxable year for which the  
16 applicant applies and qualifies for the exemption the equalized  
17 assessed value of the residence is less than the equalized  
18 assessed value in the existing base year (provided that such  
19 equalized assessed value is not based on an assessed value that  
20 results from a temporary irregularity in the property that  
21 reduces the assessed value for one or more taxable years), then  
22 that subsequent taxable year shall become the base year until a  
23 new base year is established under the terms of this paragraph.  
24 For taxable year 1999 only, the Chief County Assessment Officer  
25 shall review (i) all taxable years for which the applicant  
26 applied and qualified for the exemption and (ii) the existing

1 base year. The assessment officer shall select as the new base  
2 year the year with the lowest equalized assessed value. An  
3 equalized assessed value that is based on an assessed value  
4 that results from a temporary irregularity in the property that  
5 reduces the assessed value for one or more taxable years shall  
6 not be considered the lowest equalized assessed value. The  
7 selected year shall be the base year for taxable year 1999 and  
8 thereafter until a new base year is established under the terms  
9 of this paragraph.

10 "Chief County Assessment Officer" means the County  
11 Assessor or Supervisor of Assessments of the county in which  
12 the property is located.

13 "Equalized assessed value" means the assessed value as  
14 equalized by the Illinois Department of Revenue.

15 "Household" means the applicant, the spouse of the  
16 applicant, and all persons using the residence of the applicant  
17 as their principal place of residence.

18 "Household income" means the combined income of the members  
19 of a household for the calendar year preceding the taxable  
20 year.

21 "Income" has the same meaning as provided in Section 3.07  
22 of the Senior Citizens and Disabled Persons Property Tax Relief  
23 Act, except that, beginning in assessment year 2001, "income"  
24 does not include veteran's benefits and, beginning in  
25 assessment year 2012, "income" does not include Social Security  
26 benefits.

1 "Internal Revenue Code of 1986" means the United States  
2 Internal Revenue Code of 1986 or any successor law or laws  
3 relating to federal income taxes in effect for the year  
4 preceding the taxable year.

5 "Life care facility that qualifies as a cooperative" means  
6 a facility as defined in Section 2 of the Life Care Facilities  
7 Act.

8 "Maximum income limitation" means:

- 9 (1) \$35,000 prior to taxable year 1999;
- 10 (2) \$40,000 in taxable years 1999 through 2003;
- 11 (3) \$45,000 in taxable years 2004 through 2005;
- 12 (4) \$50,000 in taxable years 2006 and 2007; and
- 13 (5) \$55,000 in taxable year 2008 and thereafter.

14 "Residence" means the principal dwelling place and  
15 appurtenant structures used for residential purposes in this  
16 State occupied on January 1 of the taxable year by a household  
17 and so much of the surrounding land, constituting the parcel  
18 upon which the dwelling place is situated, as is used for  
19 residential purposes. If the Chief County Assessment Officer  
20 has established a specific legal description for a portion of  
21 property constituting the residence, then that portion of  
22 property shall be deemed the residence for the purposes of this  
23 Section.

24 "Taxable year" means the calendar year during which ad  
25 valorem property taxes payable in the next succeeding year are  
26 levied.

1 (c) Beginning in taxable year 1994, a senior citizens  
2 assessment freeze homestead exemption is granted for real  
3 property that is improved with a permanent structure that is  
4 occupied as a residence by an applicant who (i) is 65 years of  
5 age or older during the taxable year, (ii) has a household  
6 income that does not exceed the maximum income limitation,  
7 (iii) is liable for paying real property taxes on the property,  
8 and (iv) is an owner of record of the property or has a legal or  
9 equitable interest in the property as evidenced by a written  
10 instrument. This homestead exemption shall also apply to a  
11 leasehold interest in a parcel of property improved with a  
12 permanent structure that is a single family residence that is  
13 occupied as a residence by a person who (i) is 65 years of age  
14 or older during the taxable year, (ii) has a household income  
15 that does not exceed the maximum income limitation, (iii) has a  
16 legal or equitable ownership interest in the property as  
17 lessee, and (iv) is liable for the payment of real property  
18 taxes on that property.

19 In counties of 3,000,000 or more inhabitants, the amount of  
20 the exemption for all taxable years is the equalized assessed  
21 value of the residence in the taxable year for which  
22 application is made minus the base amount. In all other  
23 counties, the amount of the exemption is as follows: (i)  
24 through taxable year 2005 and for taxable year 2007 and  
25 thereafter, the amount of this exemption shall be the equalized  
26 assessed value of the residence in the taxable year for which

1 application is made minus the base amount; and (ii) for taxable  
2 year 2006, the amount of the exemption is as follows:

3 (1) For an applicant who has a household income of  
4 \$45,000 or less, the amount of the exemption is the  
5 equalized assessed value of the residence in the taxable  
6 year for which application is made minus the base amount.

7 (2) For an applicant who has a household income  
8 exceeding \$45,000 but not exceeding \$46,250, the amount of  
9 the exemption is (i) the equalized assessed value of the  
10 residence in the taxable year for which application is made  
11 minus the base amount (ii) multiplied by 0.8.

12 (3) For an applicant who has a household income  
13 exceeding \$46,250 but not exceeding \$47,500, the amount of  
14 the exemption is (i) the equalized assessed value of the  
15 residence in the taxable year for which application is made  
16 minus the base amount (ii) multiplied by 0.6.

17 (4) For an applicant who has a household income  
18 exceeding \$47,500 but not exceeding \$48,750, the amount of  
19 the exemption is (i) the equalized assessed value of the  
20 residence in the taxable year for which application is made  
21 minus the base amount (ii) multiplied by 0.4.

22 (5) For an applicant who has a household income  
23 exceeding \$48,750 but not exceeding \$50,000, the amount of  
24 the exemption is (i) the equalized assessed value of the  
25 residence in the taxable year for which application is made  
26 minus the base amount (ii) multiplied by 0.2.

1           When the applicant is a surviving spouse of an applicant  
2 for a prior year for the same residence for which an exemption  
3 under this Section has been granted, the base year and base  
4 amount for that residence are the same as for the applicant for  
5 the prior year.

6           Each year at the time the assessment books are certified to  
7 the County Clerk, the Board of Review or Board of Appeals shall  
8 give to the County Clerk a list of the assessed values of  
9 improvements on each parcel qualifying for this exemption that  
10 were added after the base year for this parcel and that  
11 increased the assessed value of the property.

12           In the case of land improved with an apartment building  
13 owned and operated as a cooperative or a building that is a  
14 life care facility that qualifies as a cooperative, the maximum  
15 reduction from the equalized assessed value of the property is  
16 limited to the sum of the reductions calculated for each unit  
17 occupied as a residence by a person or persons (i) 65 years of  
18 age or older, (ii) with a household income that does not exceed  
19 the maximum income limitation, (iii) who is liable, by contract  
20 with the owner or owners of record, for paying real property  
21 taxes on the property, and (iv) who is an owner of record of a  
22 legal or equitable interest in the cooperative apartment  
23 building, other than a leasehold interest. In the instance of a  
24 cooperative where a homestead exemption has been granted under  
25 this Section, the cooperative association or its management  
26 firm shall credit the savings resulting from that exemption



1 only to the apportioned tax liability of the owner who  
2 qualified for the exemption. Any person who willfully refuses  
3 to credit that savings to an owner who qualifies for the  
4 exemption is guilty of a Class B misdemeanor.

5 When a homestead exemption has been granted under this  
6 Section and an applicant then becomes a resident of a facility  
7 licensed under the Assisted Living and Shared Housing Act, the  
8 Nursing Home Care Act, the Specialized Mental Health  
9 Rehabilitation Act, or the ID/DD Community Care Act, the  
10 exemption shall be granted in subsequent years so long as the  
11 residence (i) continues to be occupied by the qualified  
12 applicant's spouse or (ii) if remaining unoccupied, is still  
13 owned by the qualified applicant for the homestead exemption.

14 Beginning January 1, 1997, when an individual dies who  
15 would have qualified for an exemption under this Section, and  
16 the surviving spouse does not independently qualify for this  
17 exemption because of age, the exemption under this Section  
18 shall be granted to the surviving spouse for the taxable year  
19 preceding and the taxable year of the death, provided that,  
20 except for age, the surviving spouse meets all other  
21 qualifications for the granting of this exemption for those  
22 years.

23 When married persons maintain separate residences, the  
24 exemption provided for in this Section may be claimed by only  
25 one of such persons and for only one residence.

26 For taxable year 1994 only, in counties having less than

1 3,000,000 inhabitants, to receive the exemption, a person shall  
2 submit an application by February 15, 1995 to the Chief County  
3 Assessment Officer of the county in which the property is  
4 located. In counties having 3,000,000 or more inhabitants, for  
5 taxable year 1994 and all subsequent taxable years, to receive  
6 the exemption, a person may submit an application to the Chief  
7 County Assessment Officer of the county in which the property  
8 is located during such period as may be specified by the Chief  
9 County Assessment Officer. The Chief County Assessment Officer  
10 in counties of 3,000,000 or more inhabitants shall annually  
11 give notice of the application period by mail or by  
12 publication. In counties having less than 3,000,000  
13 inhabitants, beginning with taxable year 1995 and thereafter,  
14 to receive the exemption, a person shall submit an application  
15 by July 1 of each taxable year to the Chief County Assessment  
16 Officer of the county in which the property is located. A  
17 county may, by ordinance, establish a date for submission of  
18 applications that is different than July 1. The applicant shall  
19 submit with the application an affidavit of the applicant's  
20 total household income, age, marital status (and if married the  
21 name and address of the applicant's spouse, if known), and  
22 principal dwelling place of members of the household on January  
23 1 of the taxable year. The Department shall establish, by rule,  
24 a method for verifying the accuracy of affidavits filed by  
25 applicants under this Section, and the Chief County Assessment  
26 Officer may conduct audits of any taxpayer claiming an

1 exemption under this Section to verify that the taxpayer is  
2 eligible to receive the exemption. Each application shall  
3 contain or be verified by a written declaration that it is made  
4 under the penalties of perjury. A taxpayer's signing a  
5 fraudulent application under this Act is perjury, as defined in  
6 Section 32-2 of the Criminal Code of 2012. The applications  
7 shall be clearly marked as applications for the Senior Citizens  
8 Assessment Freeze Homestead Exemption and must contain a notice  
9 that any taxpayer who receives the exemption is subject to an  
10 audit by the Chief County Assessment Officer.

11 Notwithstanding any other provision to the contrary, in  
12 counties having fewer than 3,000,000 inhabitants, if an  
13 applicant fails to file the application required by this  
14 Section in a timely manner and this failure to file is due to a  
15 mental or physical condition sufficiently severe so as to  
16 render the applicant incapable of filing the application in a  
17 timely manner, the Chief County Assessment Officer may extend  
18 the filing deadline for a period of 30 days after the applicant  
19 regains the capability to file the application, but in no case  
20 may the filing deadline be extended beyond 3 months of the  
21 original filing deadline. In order to receive the extension  
22 provided in this paragraph, the applicant shall provide the  
23 Chief County Assessment Officer with a signed statement from  
24 the applicant's physician stating the nature and extent of the  
25 condition, that, in the physician's opinion, the condition was  
26 so severe that it rendered the applicant incapable of filing

1 the application in a timely manner, and the date on which the  
2 applicant regained the capability to file the application.

3 Beginning January 1, 1998, notwithstanding any other  
4 provision to the contrary, in counties having fewer than  
5 3,000,000 inhabitants, if an applicant fails to file the  
6 application required by this Section in a timely manner and  
7 this failure to file is due to a mental or physical condition  
8 sufficiently severe so as to render the applicant incapable of  
9 filing the application in a timely manner, the Chief County  
10 Assessment Officer may extend the filing deadline for a period  
11 of 3 months. In order to receive the extension provided in this  
12 paragraph, the applicant shall provide the Chief County  
13 Assessment Officer with a signed statement from the applicant's  
14 physician stating the nature and extent of the condition, and  
15 that, in the physician's opinion, the condition was so severe  
16 that it rendered the applicant incapable of filing the  
17 application in a timely manner.

18 In counties having less than 3,000,000 inhabitants, if an  
19 applicant was denied an exemption in taxable year 1994 and the  
20 denial occurred due to an error on the part of an assessment  
21 official, or his or her agent or employee, then beginning in  
22 taxable year 1997 the applicant's base year, for purposes of  
23 determining the amount of the exemption, shall be 1993 rather  
24 than 1994. In addition, in taxable year 1997, the applicant's  
25 exemption shall also include an amount equal to (i) the amount  
26 of any exemption denied to the applicant in taxable year 1995

1 as a result of using 1994, rather than 1993, as the base year,  
2 (ii) the amount of any exemption denied to the applicant in  
3 taxable year 1996 as a result of using 1994, rather than 1993,  
4 as the base year, and (iii) the amount of the exemption  
5 erroneously denied for taxable year 1994.

6 For purposes of this Section, a person who will be 65 years  
7 of age during the current taxable year shall be eligible to  
8 apply for the homestead exemption during that taxable year.  
9 Application shall be made during the application period in  
10 effect for the county of his or her residence.

11 The Chief County Assessment Officer may determine the  
12 eligibility of a life care facility that qualifies as a  
13 cooperative to receive the benefits provided by this Section by  
14 use of an affidavit, application, visual inspection,  
15 questionnaire, or other reasonable method in order to insure  
16 that the tax savings resulting from the exemption are credited  
17 by the management firm to the apportioned tax liability of each  
18 qualifying resident. The Chief County Assessment Officer may  
19 request reasonable proof that the management firm has so  
20 credited that exemption.

21 Except as provided in this Section, all information  
22 received by the chief county assessment officer or the  
23 Department from applications filed under this Section, or from  
24 any investigation conducted under the provisions of this  
25 Section, shall be confidential, except for official purposes or  
26 pursuant to official procedures for collection of any State or

1 local tax or enforcement of any civil or criminal penalty or  
2 sanction imposed by this Act or by any statute or ordinance  
3 imposing a State or local tax. Any person who divulges any such  
4 information in any manner, except in accordance with a proper  
5 judicial order, is guilty of a Class A misdemeanor.

6 Nothing contained in this Section shall prevent the  
7 Director or chief county assessment officer from publishing or  
8 making available reasonable statistics concerning the  
9 operation of the exemption contained in this Section in which  
10 the contents of claims are grouped into aggregates in such a  
11 way that information contained in any individual claim shall  
12 not be disclosed.

13 (d) Each Chief County Assessment Officer shall annually  
14 publish a notice of availability of the exemption provided  
15 under this Section. The notice shall be published at least 60  
16 days but no more than 75 days prior to the date on which the  
17 application must be submitted to the Chief County Assessment  
18 Officer of the county in which the property is located. The  
19 notice shall appear in a newspaper of general circulation in  
20 the county.

21 Notwithstanding Sections 6 and 8 of the State Mandates Act,  
22 no reimbursement by the State is required for the  
23 implementation of any mandate created by this Section.

24 (Source: P.A. 96-339, eff. 7-1-10; 96-355, eff. 1-1-10;  
25 96-1000, eff. 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12;  
26 97-689, eff. 6-14-12; 97-813, eff. 7-13-12; 97-1150, eff.

1 1-25-13.)

2 (35 ILCS 200/15-175)

3 Sec. 15-175. General homestead exemption.

4 (a) Except as provided in Sections 15-176 and 15-177,  
5 homestead property is entitled to an annual homestead exemption  
6 limited, except as described here with relation to  
7 cooperatives, to a reduction in the equalized assessed value of  
8 homestead property equal to the increase in equalized assessed  
9 value for the current assessment year above the equalized  
10 assessed value of the property for 1977, up to the maximum  
11 reduction set forth below. If however, the 1977 equalized  
12 assessed value upon which taxes were paid is subsequently  
13 determined by local assessing officials, the Property Tax  
14 Appeal Board, or a court to have been excessive, the equalized  
15 assessed value which should have been placed on the property  
16 for 1977 shall be used to determine the amount of the  
17 exemption.

18 (b) Except as provided in Section 15-176, the maximum  
19 reduction before taxable year 2004 shall be \$4,500 in counties  
20 with 3,000,000 or more inhabitants and \$3,500 in all other  
21 counties. Except as provided in Sections 15-176 and 15-177, for  
22 taxable years 2004 through 2007, the maximum reduction shall be  
23 \$5,000, for taxable year 2008, the maximum reduction is \$5,500,  
24 and, for taxable years 2009 and thereafter, the maximum  
25 reduction is \$6,000 in all counties. If a county has elected to

1 subject itself to the provisions of Section 15-176 as provided  
2 in subsection (k) of that Section, then, for the first taxable  
3 year only after the provisions of Section 15-176 no longer  
4 apply, for owners who, for the taxable year, have not been  
5 granted a senior citizens assessment freeze homestead  
6 exemption under Section 15-172 or a long-time occupant  
7 homestead exemption under Section 15-177, there shall be an  
8 additional exemption of \$5,000 for owners with a household  
9 income of \$30,000 or less.

10 (c) In counties with fewer than 3,000,000 inhabitants, if,  
11 based on the most recent assessment, the equalized assessed  
12 value of the homestead property for the current assessment year  
13 is greater than the equalized assessed value of the property  
14 for 1977, the owner of the property shall automatically receive  
15 the exemption granted under this Section in an amount equal to  
16 the increase over the 1977 assessment up to the maximum  
17 reduction set forth in this Section.

18 (d) If in any assessment year beginning with the 2000  
19 assessment year, homestead property has a pro-rata valuation  
20 under Section 9-180 resulting in an increase in the assessed  
21 valuation, a reduction in equalized assessed valuation equal to  
22 the increase in equalized assessed value of the property for  
23 the year of the pro-rata valuation above the equalized assessed  
24 value of the property for 1977 shall be applied to the property  
25 on a proportionate basis for the period the property qualified  
26 as homestead property during the assessment year. The maximum



1 proportionate homestead exemption shall not exceed the maximum  
2 homestead exemption allowed in the county under this Section  
3 divided by 365 and multiplied by the number of days the  
4 property qualified as homestead property.

5 (e) The chief county assessment officer may, when  
6 considering whether to grant a leasehold exemption under this  
7 Section, require the following conditions to be met:

8 (1) that a notarized application for the exemption,  
9 signed by both the owner and the lessee of the property,  
10 must be submitted each year during the application period  
11 in effect for the county in which the property is located;

12 (2) that a copy of the lease must be filed with the  
13 chief county assessment officer by the owner of the  
14 property at the time the notarized application is  
15 submitted;

16 (3) that the lease must expressly state that the lessee  
17 is liable for the payment of property taxes; and

18 (4) that the lease must include the following language  
19 in substantially the following form:

20 "Lessee shall be liable for the payment of real  
21 estate taxes with respect to the residence in  
22 accordance with the terms and conditions of Section  
23 15-175 of the Property Tax Code (35 ILCS 200/15-175).

24 The permanent real estate index number for the premises  
25 is (insert number), and, according to the most recent  
26 property tax bill, the current amount of real estate

1 taxes associated with the premises is (insert amount)  
2 per year. The parties agree that the monthly rent set  
3 forth above shall be increased or decreased pro rata  
4 (effective January 1 of each calendar year) to reflect  
5 any increase or decrease in real estate taxes. Lessee  
6 shall be deemed to be satisfying Lessee's liability for  
7 the above mentioned real estate taxes with the monthly  
8 rent payments as set forth above (or increased or  
9 decreased as set forth herein).".

10 In addition, if there is a change in lessee, or if the  
11 lessee vacates the property, then the chief county assessment  
12 officer may require the owner of the property to notify the  
13 chief county assessment officer of that change.

14 This subsection (e) does not apply to leasehold interests  
15 in property owned by a municipality.

16 (f) "Homestead property" under this Section includes  
17 residential property that is occupied by its owner or owners as  
18 his or their principal dwelling place, or that is a leasehold  
19 interest on which a single family residence is situated, which  
20 is occupied as a residence by a person who has an ownership  
21 interest therein, legal or equitable or as a lessee, and on  
22 which the person is liable for the payment of property taxes.  
23 For land improved with an apartment building owned and operated  
24 as a cooperative or a building which is a life care facility as  
25 defined in Section 15-170 and considered to be a cooperative  
26 under Section 15-170, the maximum reduction from the equalized

1 assessed value shall be limited to the increase in the value  
2 above the equalized assessed value of the property for 1977, up  
3 to the maximum reduction set forth above, multiplied by the  
4 number of apartments or units occupied by a person or persons  
5 who is liable, by contract with the owner or owners of record,  
6 for paying property taxes on the property and is an owner of  
7 record of a legal or equitable interest in the cooperative  
8 apartment building, other than a leasehold interest. For  
9 purposes of this Section, the term "life care facility" has the  
10 meaning stated in Section 15-170.

11 "Household", as used in this Section, means the owner, the  
12 spouse of the owner, and all persons using the residence of the  
13 owner as their principal place of residence.

14 "Household income", as used in this Section, means the  
15 combined income of the members of a household for the calendar  
16 year preceding the taxable year.

17 "Income", as used in this Section, has the same meaning as  
18 provided in Section 3.07 of the Senior Citizens and Disabled  
19 Persons Property Tax Relief Act, except that "income" does not  
20 include veteran's benefits and, beginning in assessment year  
21 2012, "income" does not include Social Security benefits.

22 (g) In a cooperative where a homestead exemption has been  
23 granted, the cooperative association or its management firm  
24 shall credit the savings resulting from that exemption only to  
25 the apportioned tax liability of the owner who qualified for  
26 the exemption. Any person who willfully refuses to so credit

1 the savings shall be guilty of a Class B misdemeanor.

2 (h) Where married persons maintain and reside in separate  
3 residences qualifying as homestead property, each residence  
4 shall receive 50% of the total reduction in equalized assessed  
5 valuation provided by this Section.

6 (i) In all counties, the assessor or chief county  
7 assessment officer may determine the eligibility of  
8 residential property to receive the homestead exemption and the  
9 amount of the exemption by application, visual inspection,  
10 questionnaire or other reasonable methods. The determination  
11 shall be made in accordance with guidelines established by the  
12 Department, provided that the taxpayer applying for an  
13 additional general exemption under this Section shall submit to  
14 the chief county assessment officer an application with an  
15 affidavit of the applicant's total household income, age,  
16 marital status (and, if married, the name and address of the  
17 applicant's spouse, if known), and principal dwelling place of  
18 members of the household on January 1 of the taxable year. The  
19 Department shall issue guidelines establishing a method for  
20 verifying the accuracy of the affidavits filed by applicants  
21 under this paragraph. The applications shall be clearly marked  
22 as applications for the Additional General Homestead  
23 Exemption.

24 (j) In counties with fewer than 3,000,000 inhabitants, in  
25 the event of a sale of homestead property the homestead  
26 exemption shall remain in effect for the remainder of the

1 assessment year of the sale. The assessor or chief county  
2 assessment officer may require the new owner of the property to  
3 apply for the homestead exemption for the following assessment  
4 year.

5 (k) Notwithstanding Sections 6 and 8 of the State Mandates  
6 Act, no reimbursement by the State is required for the  
7 implementation of any mandate created by this Section.

8 (Source: P.A. 97-689, eff. 6-14-12; 97-1125, eff. 8-28-12;  
9 revised 9-20-12.)

10 (35 ILCS 200/15-177)

11 Sec. 15-177. The long-time occupant homestead exemption.

12 (a) If the county has elected, under Section 15-176, to be  
13 subject to the provisions of the alternative general homestead  
14 exemption, then, for taxable years 2007 and thereafter,  
15 regardless of whether the exemption under Section 15-176  
16 applies, qualified homestead property is entitled to an annual  
17 homestead exemption equal to a reduction in the property's  
18 equalized assessed value calculated as provided in this  
19 Section.

20 (b) As used in this Section:

21 "Adjusted homestead value" means the lesser of the  
22 following values:

23 (1) The property's base homestead value increased by:  
24 (i) 10% for each taxable year after the base year through  
25 and including the current tax year for qualified taxpayers

1 with a household income of more than \$75,000 but not  
2 exceeding \$100,000; or (ii) 7% for each taxable year after  
3 the base year through and including the current tax year  
4 for qualified taxpayers with a household income of \$75,000  
5 or less. The increase each year is an increase over the  
6 prior year; or

7 (2) The property's equalized assessed value for the  
8 current tax year minus the general homestead deduction.

9 "Base homestead value" means:

10 (1) if the property did not have an adjusted homestead  
11 value under Section 15-176 for the base year, then an  
12 amount equal to the equalized assessed value of the  
13 property for the base year prior to exemptions, minus the  
14 general homestead deduction, provided that the property's  
15 assessment was not based on a reduced assessed value  
16 resulting from a temporary irregularity in the property for  
17 that year; or

18 (2) if the property had an adjusted homestead value  
19 under Section 15-176 for the base year, then an amount  
20 equal to the adjusted homestead value of the property under  
21 Section 15-176 for the base year.

22 "Base year" means the taxable year prior to the taxable  
23 year in which the taxpayer first qualifies for the exemption  
24 under this Section.

25 "Current taxable year" means the taxable year for which the  
26 exemption under this Section is being applied.

1 "Equalized assessed value" means the property's assessed  
2 value as equalized by the Department.

3 "Homestead" or "homestead property" means residential  
4 property that as of January 1 of the tax year is occupied by a  
5 qualified taxpayer as his or her principal dwelling place, or  
6 that is a leasehold interest on which a single family residence  
7 is situated, that is occupied as a residence by a qualified  
8 taxpayer who has a legal or equitable interest therein  
9 evidenced by a written instrument, as an owner or as a lessee,  
10 and on which the person is liable for the payment of property  
11 taxes. Residential units in an apartment building owned and  
12 operated as a cooperative, or as a life care facility, which  
13 are occupied by persons who hold a legal or equitable interest  
14 in the cooperative apartment building or life care facility as  
15 owners or lessees, and who are liable by contract for the  
16 payment of property taxes, are included within this definition  
17 of homestead property. A homestead includes the dwelling place,  
18 appurtenant structures, and so much of the surrounding land  
19 constituting the parcel on which the dwelling place is situated  
20 as is used for residential purposes. If the assessor has  
21 established a specific legal description for a portion of  
22 property constituting the homestead, then the homestead is  
23 limited to the property within that description.

24 "Household income" has the meaning set forth under Section  
25 15-172 of this Code. Beginning in assessment year 2012,  
26 "household income" does not include Social Security benefits.

1 "General homestead deduction" means the amount of the  
2 general homestead exemption under Section 15-175.

3 "Life care facility" means a facility defined in Section 2  
4 of the Life Care Facilities Act.

5 "Qualified homestead property" means homestead property  
6 owned by a qualified taxpayer.

7 "Qualified taxpayer" means any individual:

8 (1) who, for at least 10 continuous years as of January  
9 1 of the taxable year, has occupied the same homestead  
10 property as a principal residence and domicile or who, for  
11 at least 5 continuous years as of January 1 of the taxable  
12 year, has occupied the same homestead property as a  
13 principal residence and domicile if that person received  
14 assistance in the acquisition of the property as part of a  
15 government or nonprofit housing program; and

16 (2) who has a household income of \$100,000 or less.

17 (c) The base homestead value must remain constant, except  
18 that the assessor may revise it under any of the following  
19 circumstances:

20 (1) If the equalized assessed value of a homestead  
21 property for the current tax year is less than the previous  
22 base homestead value for that property, then the current  
23 equalized assessed value (provided it is not based on a  
24 reduced assessed value resulting from a temporary  
25 irregularity in the property) becomes the base homestead  
26 value in subsequent tax years.



1           (2) For any year in which new buildings, structures, or  
2           other improvements are constructed on the homestead  
3           property that would increase its assessed value, the  
4           assessor shall adjust the base homestead value with due  
5           regard to the value added by the new improvements.

6           (d) The amount of the exemption under this Section is the  
7           greater of: (i) the equalized assessed value of the homestead  
8           property for the current tax year minus the adjusted homestead  
9           value; or (ii) the general homestead deduction.

10          (e) In the case of an apartment building owned and operated  
11          as a cooperative, or as a life care facility, that contains  
12          residential units that qualify as homestead property of a  
13          qualified taxpayer under this Section, the maximum cumulative  
14          exemption amount attributed to the entire building or facility  
15          shall not exceed the sum of the exemptions calculated for each  
16          unit that is a qualified homestead property. The cooperative  
17          association, management firm, or other person or entity that  
18          manages or controls the cooperative apartment building or life  
19          care facility shall credit the exemption attributable to each  
20          residential unit only to the apportioned tax liability of the  
21          qualified taxpayer as to that unit. Any person who willfully  
22          refuses to so credit the exemption is guilty of a Class B  
23          misdemeanor.

24          (f) When married persons maintain separate residences, the  
25          exemption provided under this Section may be claimed by only  
26          one such person and for only one residence. No person who

1 receives an exemption under Section 15-172 of this Code may  
2 receive an exemption under this Section. No person who receives  
3 an exemption under this Section may receive an exemption under  
4 Section 15-175 or 15-176 of this Code.

5 (g) In the event of a sale or other transfer in ownership  
6 of the homestead property between spouses or between a parent  
7 and a child, the exemption under this Section remains in effect  
8 if the new owner has a household income of \$100,000 or less.

9 (h) In the event of a sale or other transfer in ownership  
10 of the homestead property other than subsection (g) of this  
11 Section, the exemption under this Section shall remain in  
12 effect for the remainder of the tax year and be calculated  
13 using the same base homestead value in which the sale or  
14 transfer occurs.

15 (i) To receive the exemption, a person must submit an  
16 application to the county assessor during the period specified  
17 by the county assessor.

18 The county assessor shall annually give notice of the  
19 application period by mail or by publication.

20 The taxpayer must submit, with the application, an  
21 affidavit of the taxpayer's total household income, marital  
22 status (and if married the name and address of the applicant's  
23 spouse, if known), and principal dwelling place of members of  
24 the household on January 1 of the taxable year. The Department  
25 shall establish, by rule, a method for verifying the accuracy  
26 of affidavits filed by applicants under this Section, and the

1 Chief County Assessment Officer may conduct audits of any  
2 taxpayer claiming an exemption under this Section to verify  
3 that the taxpayer is eligible to receive the exemption. Each  
4 application shall contain or be verified by a written  
5 declaration that it is made under the penalties of perjury. A  
6 taxpayer's signing a fraudulent application under this Act is  
7 perjury, as defined in Section 32-2 of the Criminal Code of  
8 2012. The applications shall be clearly marked as applications  
9 for the Long-time Occupant Homestead Exemption and must contain  
10 a notice that any taxpayer who receives the exemption is  
11 subject to an audit by the Chief County Assessment Officer.

12 (j) Notwithstanding Sections 6 and 8 of the State Mandates  
13 Act, no reimbursement by the State is required for the  
14 implementation of any mandate created by this Section.

15 (Source: P.A. 97-1150, eff. 1-25-13.)

16 Section 99. Effective date. This Act takes effect upon  
17 becoming law.