

# HB1789



## 100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB1789

by Rep. Terri Bryant

### SYNOPSIS AS INTRODUCED:

35 ILCS 515/7.5  
35 ILCS 200/15-165  
35 ILCS 200/15-169

Amends the Property Tax Code. Provides that disabled veterans need not annually seek certification from the Illinois Department of Veterans' Affairs in order to continue receiving the exemption for veterans with disabilities. Makes conforming changes to the Mobile Home Local Services Tax Act. Effective immediately.

LRB100 08278 HLH 18380 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

A BILL FOR

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 Mobile Home Local Services Tax Act is  
5 amended by changing Section 7.5 as follows:

6 (35 ILCS 515/7.5)

7 Sec. 7.5. Exemption for veterans with disabilities.

8 (a) Beginning on January 1, 2004, a mobile home owned and  
9 used exclusively by a veteran with a disability or the spouse  
10 or unmarried surviving spouse of the veteran as a home, is  
11 exempt from the tax imposed under this Act.

12 Beginning with the 2015 tax year, the exemption also  
13 applies to housing that is specifically constructed or adapted  
14 to suit a qualifying veteran's disability if the housing or  
15 adaptations are donated by a charitable organization, the  
16 veteran has been approved to receive funds for the purchase or  
17 construction of Specially Adapted Housing under Title 38,  
18 Chapter 21, Section 2101 of the United States Code, and the  
19 home has been inspected and certified by a licensed home  
20 inspector to be in compliance with applicable standards set  
21 forth in U.S. Department of Veterans Affairs, Veterans Benefits  
22 Administration Pamphlet 26-13 Handbook for Design of Specially  
23 Adapted Housing.

1 (b) As used in this Section:

2 "Veteran with a disability" means a person who has served  
3 in the armed forces of the United States and whose disability  
4 is of such a nature that the federal government has authorized  
5 payment for purchase or construction of specially adapted  
6 housing as set forth in the United States Code, Title 38,  
7 Chapter 21, Section 2101.

8 For purposes of this Section, "charitable organization"  
9 means any benevolent, philanthropic, patriotic, or  
10 eleemosynary entity that solicits and collects funds for  
11 charitable purposes and includes each local, county, or area  
12 division of that charitable organization.

13 "Unmarried surviving spouse" means the surviving spouse of  
14 the veteran at any time after the death of the veteran during  
15 which the surviving spouse is not married.

16 (c) Beginning with taxable year 2017, eligibility  
17 ~~Eligibility~~ for this exemption must be reestablished on an  
18 annual basis by certification from the Illinois Department of  
19 Veterans' Affairs to the county clerk of the county in which  
20 the exempt mobile home is located, except as provided in  
21 subsection (d). The county clerk shall forward a copy of the  
22 certification to local assessing officials, except as provided  
23 in subsection (d).

24 (d) Beginning taxable year 2017, a taxpayer who has  
25 received the same protected evaluation rating and level of  
26 disability for 20 or more years by the U.S. Department of

1 Veterans' Affairs need not annually seek certification from the  
2 Illinois Department of Veterans' Affairs for the exemption  
3 provided under this Section. In such a case, the taxpayer shall  
4 automatically be certified each year by the Department and a  
5 copy of this certification shall be forwarded to local  
6 assessing officials by the county clerk.

7 (Source: P.A. 98-1145, eff. 12-30-14; 99-143, eff. 7-27-15.)

8 Section 10. The Property Tax Code is amended by changing  
9 Sections 15-165 and 15-169 as follows:

10 (35 ILCS 200/15-165)

11 Sec. 15-165. Veterans with disabilities. Property up to an  
12 assessed value of \$100,000, owned and used exclusively by a  
13 veteran with a disability, or the spouse or unmarried surviving  
14 spouse of the veteran, as a home, is exempt. As used in this  
15 Section, a "veteran with a disability" means a person who has  
16 served in the Armed Forces of the United States and whose  
17 disability is of such a nature that the Federal Government has  
18 authorized payment for purchase or construction of Specially  
19 Adapted Housing as set forth in the United States Code, Title  
20 38, Chapter 21, Section 2101.

21 The exemption applies to housing where Federal funds have  
22 been used to purchase or construct special adaptations to suit  
23 the veteran's disability.

24 The exemption also applies to housing that is specially

1 adapted to suit the veteran's disability, and purchased  
2 entirely or in part by the proceeds of a sale, casualty loss  
3 reimbursement, or other transfer of a home for which the  
4 Federal Government had previously authorized payment for  
5 purchase or construction as Specially Adapted Housing.

6 However, the entire proceeds of the sale, casualty loss  
7 reimbursement, or other transfer of that housing shall be  
8 applied to the acquisition of subsequent specially adapted  
9 housing to the extent that the proceeds equal the purchase  
10 price of the subsequently acquired housing.

11 Beginning with the 2015 tax year, the exemption also  
12 applies to housing that is specifically constructed or adapted  
13 to suit a qualifying veteran's disability if the housing or  
14 adaptations are donated by a charitable organization, the  
15 veteran has been approved to receive funds for the purchase or  
16 construction of Specially Adapted Housing under Title 38,  
17 Chapter 21, Section 2101 of the United States Code, and the  
18 home has been inspected and certified by a licensed home  
19 inspector to be in compliance with applicable standards set  
20 forth in U.S. Department of Veterans Affairs, Veterans Benefits  
21 Administration Pamphlet 26-13 Handbook for Design of Specially  
22 Adapted Housing.

23 For purposes of this Section, "charitable organization"  
24 means any benevolent, philanthropic, patriotic, or  
25 eleemosynary entity that solicits and collects funds for  
26 charitable purposes and includes each local, county, or area

1 division of that charitable organization.

2 For purposes of this Section, "unmarried surviving spouse"  
3 means the surviving spouse of the veteran at any time after the  
4 death of the veteran during which such surviving spouse is not  
5 married.

6 Beginning with taxable year 2017, this ~~This~~ exemption must  
7 be reestablished on an annual basis by certification from the  
8 Illinois Department of Veterans' Affairs to the Department,  
9 which shall forward a copy of the certification to local  
10 assessing officials, except as otherwise provided in this  
11 paragraph. Beginning taxable year 2017, a taxpayer who has  
12 received the same protected evaluation rating and level of  
13 disability for 20 or more years by the U.S. Department of  
14 Veterans' Affairs need not annually seek certification from the  
15 Illinois Department of Veterans' Affairs for the exemption  
16 provided under this Section; in such a case, the taxpayer shall  
17 automatically be certified each year by the Department and a  
18 copy of this certification shall be forwarded to local  
19 assessing officials.

20 A taxpayer who claims an exemption under Section 15-168 or  
21 15-169 may not claim an exemption under this Section.

22 (Source: P.A. 98-1145, eff. 12-30-14; 99-143, eff. 7-27-15.)

23 (35 ILCS 200/15-169)

24 Sec. 15-169. Homestead exemption for veterans with  
25 disabilities.

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

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

7 (1) for veterans with a service-connected disability  
8 of at least (i) 75% for exemptions granted in taxable years  
9 2007 through 2009 and (ii) 70% for exemptions granted in  
10 taxable year 2010 and each taxable year thereafter, as  
11 certified by the United States Department of Veterans  
12 Affairs, the annual exemption is \$5,000; and

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

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

21 (1) if the veteran has a service connected disability  
22 of 30% or more but less than 50%, as certified by the  
23 United States Department of Veterans Affairs, then the  
24 annual exemption is \$2,500;

25 (2) if the veteran has a service connected disability  
26 of 50% or more but less than 70%, as certified by the

1 United States Department of Veterans Affairs, then the  
2 annual exemption is \$5,000; and

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

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

16 (c) The tax exemption under this Section carries over to  
17 the benefit of the veteran's surviving spouse as long as the  
18 spouse holds the legal or beneficial title to the homestead,  
19 permanently resides thereon, and does not remarry. If the  
20 surviving spouse sells the property, an exemption not to exceed  
21 the amount granted from the most recent ad valorem tax roll may  
22 be transferred to his or her new residence as long as it is  
23 used as his or her primary residence and he or she does not  
24 remarry.

25 (c-1) Beginning with taxable year 2015, nothing in this  
26 Section shall require the veteran to have qualified for or



1 obtained the exemption before death if the veteran was killed  
2 in the line of duty.

3 (d) The exemption under this Section applies for taxable  
4 year 2007 and thereafter. A taxpayer who claims an exemption  
5 under Section 15-165 or 15-168 may not claim an exemption under  
6 this Section.

7 (e) Beginning with taxable year 2017, each ~~Each~~ taxpayer  
8 who has been granted an exemption under this Section must  
9 reapply on an annual basis, except as otherwise provided in  
10 subsection (e-1). Application must be made during the  
11 application period in effect for the county of his or her  
12 residence. The assessor or chief county assessment officer may  
13 determine the eligibility of residential property to receive  
14 the homestead exemption provided by this Section by  
15 application, visual inspection, questionnaire, or other  
16 reasonable methods. The determination must be made in  
17 accordance with guidelines established by the Department.

18 (e-1) Beginning taxable year 2017, a taxpayer who has  
19 received the same protected evaluation rating and level of  
20 disability for 20 or more years by the U.S. Department of  
21 Veterans' Affairs must not reapply for the exemption annually,  
22 but instead be automatically granted the exemption provided  
23 under this Section each year.

24 (f) For the purposes of this Section:

25 "Qualified residence" means real property, but less any  
26 portion of that property that is used for commercial purposes,

1 with an equalized assessed value of less than \$250,000 that is  
2 the primary residence of a veteran with a disability. Property  
3 rented for more than 6 months is presumed to be used for  
4 commercial purposes.

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

10 (Source: P.A. 98-1145, eff. 12-30-14; 99-143, eff. 7-27-15;  
11 99-375, eff. 8-17-15; 99-642, eff. 7-28-16.)

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.