

SB0871



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB0871

Introduced 2/7/2017, by Sen. Kyle McCarter

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. Makes the following changes with respect to the homestead exemption for veterans with disabilities: (1) provides that the exemption amount shall not be deducted from the property's equalized assessed value, but shall be an abatement from the property's total property tax liability for the taxable year; (2) provides that, if the veteran is a recipient of the Congressional Medal of Honor or is a former prisoner of war, then the property is exempt from taxation; (3) provides that the veteran is not required to have qualified for or obtained the exemption before death if the veteran was killed in the line of duty and the death is found to be service-connected; (4) makes changes concerning reapplication; and (5) provides that, if the veteran has a service-connected disability of 70% or more and the property has an equalized assessed value of \$100,000 or more, then the amount of the exemption is \$5,000 (currently, the property is exempt). Effective immediately.

LRB100 07383 HLH 18938 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 Property Tax Code is amended by changing
5 Section 15-169 as follows:

6 (35 ILCS 200/15-169)

7 Sec. 15-169. Homestead exemption for qualified veterans
8 ~~with disabilities~~.

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

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

15 (1) for veterans with a service-connected disability
16 of at least (i) 75% for exemptions granted in taxable years
17 2007 through 2009 and (ii) 70% for exemptions granted in
18 taxable year 2010 and each taxable year thereafter, as
19 certified by the United States Department of Veterans
20 Affairs, the annual exemption is \$5,000; and

21 (2) for veterans with a service-connected disability
22 of at least 50%, but less than (i) 75% for exemptions
23 granted in taxable years 2007 through 2009 and (ii) 70% for

1 exemptions granted in taxable year 2010 and each taxable
2 year thereafter, as certified by the United States
3 Department of Veterans Affairs, the annual exemption is
4 \$2,500.

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

6 (1) if the veteran has a service-connected ~~service~~
7 ~~connected~~ disability of 30% or more but less than 50%, as
8 certified by the United States Department of Veterans
9 Affairs, then the annual exemption is \$2,500;

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

14 (2-5) beginning in taxable year 2017, if the veteran
15 has a service-connected disability of 70% or more, as
16 certified by the United States Department of Veterans
17 Affairs, and if that veteran's property has an equalized
18 assessed value of \$100,000 or more, then the annual
19 exemption is \$5,000;

20 (3) if the veteran has a service-connected ~~service~~
21 ~~connected~~ disability of 70% or more, as certified by the
22 United States Department of Veterans Affairs, and,
23 beginning in taxable year 2017, that veteran's property has
24 an equalized assessed value of less than \$100,000, then the
25 property is exempt from taxation under this Code; and -

26 (4) for taxable year 2017 and thereafter, if the

1 veteran is a recipient of the Congressional Medal of Honor
2 or is a former prisoner of war, then the property is exempt
3 from taxation under this Code regardless of whether or not
4 the veteran has a service-connected disability.

5 For taxable years prior to 2017, the exemption is a
6 reduction from the property's value, as equalized or assessed
7 by the Department. For taxable year 2017 and thereafter, the
8 exemption amount shall not be deducted from the property's
9 value, as equalized or assessed by the Department, but shall be
10 an abatement from the property's total property tax liability
11 for the taxable year. In no event shall an exemption under this
12 Section reduce the tax liability attributable to the property
13 to less than zero.

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

23 (c) The tax exemption eligibility under this Section
24 carries over to the benefit of the veteran's surviving spouse
25 as long as the spouse holds the legal or beneficial title to
26 the homestead, permanently resides thereon, and does not

1 remarry. If the surviving spouse sells the property, an
2 exemption not to exceed the amount granted from the most recent
3 ad valorem tax roll may be transferred to his or her new
4 residence as long as it is used as his or her primary residence
5 and he or she does not remarry.

6 (c-1) Beginning with taxable year 2015, nothing in this
7 Section shall require the veteran to have qualified for or
8 obtained the exemption before death if the veteran was killed
9 in the line of duty and the death is found to be
10 service-connected.

11 (d) The exemption under this Section applies for taxable
12 year 2007 and thereafter. A taxpayer who claims an exemption
13 under Section 15-165 or 15-168 may not claim an exemption under
14 this Section.

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

26 (f) For the purposes of this Section:

1 "Qualified residence" means real property, but less any
2 portion of that property that is used for commercial purposes,
3 with an equalized assessed value of less than \$250,000 that is
4 the primary residence of a qualified veteran for 31 or more
5 days of the tax year with a disability. Property rented for
6 more than 6 months is presumed to be used for commercial
7 purposes.

8 "Qualified veteran" means a veteran who (i) for taxable
9 years prior to 2017, meets the service-connected disability
10 requirements set forth in subsection (b) or (b-3) for the
11 applicable taxable year and (ii) for taxable year 2017 and
12 thereafter, meets the service connected-disability
13 requirements set forth in subsection (b-3) or is a recipient of
14 the Congressional Medal of Honor or a former prisoner of war.

15 "Veteran" means an Illinois resident who has served as a
16 member of the United States Armed Forces on active duty or
17 State active duty, a member of the Illinois National Guard, or
18 a member of the United States Reserve Forces and who has
19 received an honorable discharge.

20 (Source: P.A. 98-1145, eff. 12-30-14; 99-143, eff. 7-27-15;
21 99-375, eff. 8-17-15; 99-642, eff. 7-28-16.)

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.