

SB3199



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3199

Introduced 2/11/2020, by Sen. Laura M. Murphy

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

Amends the Property Tax Code. Provides that, for the purposes of the senior citizens assessment freeze homestead exemption, "income" does not include any required minimum distribution from an individual retirement annuity. Effective immediately.

LRB101 19861 HLH 69381 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 15-172 as follows:

6 (35 ILCS 200/15-172)

7 Sec. 15-172. Senior Citizens Assessment Freeze Homestead
8 Exemption.

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

11 (b) As used in this Section:

12 "Applicant" means an individual who has filed an
13 application under this Section.

14 "Base amount" means the base year equalized assessed value
15 of the residence plus the first year's equalized assessed value
16 of any added improvements which increased the assessed value of
17 the residence after the base year.

18 "Base year" means the taxable year prior to the taxable
19 year for which the applicant first qualifies and applies for
20 the exemption provided that in the prior taxable year the
21 property was improved with a permanent structure that was
22 occupied as a residence by the applicant who was liable for
23 paying real property taxes on the property and who was either

1 (i) an owner of record of the property or had legal or
2 equitable interest in the property as evidenced by a written
3 instrument or (ii) had a legal or equitable interest as a
4 lessee in the parcel of property that was single family
5 residence. If in any subsequent taxable year for which the
6 applicant applies and qualifies for the exemption the equalized
7 assessed value of the residence is less than the equalized
8 assessed value in the existing base year (provided that such
9 equalized assessed value is not based on an assessed value that
10 results from a temporary irregularity in the property that
11 reduces the assessed value for one or more taxable years), then
12 that subsequent taxable year shall become the base year until a
13 new base year is established under the terms of this paragraph.
14 For taxable year 1999 only, the Chief County Assessment Officer
15 shall review (i) all taxable years for which the applicant
16 applied and qualified for the exemption and (ii) the existing
17 base year. The assessment officer shall select as the new base
18 year the year with the lowest equalized assessed value. An
19 equalized assessed value that is based on an assessed value
20 that results from a temporary irregularity in the property that
21 reduces the assessed value for one or more taxable years shall
22 not be considered the lowest equalized assessed value. The
23 selected year shall be the base year for taxable year 1999 and
24 thereafter until a new base year is established under the terms
25 of this paragraph.

26 "Chief County Assessment Officer" means the County

1 Assessor or Supervisor of Assessments of the county in which
2 the property is located.

3 "Equalized assessed value" means the assessed value as
4 equalized by the Illinois Department of Revenue.

5 "Household" means the applicant, the spouse of the
6 applicant, and all persons using the residence of the applicant
7 as their principal place of residence.

8 "Household income" means the combined income of the members
9 of a household for the calendar year preceding the taxable
10 year.

11 "Income" has the same meaning as provided in Section 3.07
12 of the Senior Citizens and Persons with Disabilities Property
13 Tax Relief Act, except that, beginning in assessment year 2001,
14 "income" does not include veteran's benefits, and, beginning in
15 assessment year 2021, "income" does not include any required
16 minimum distribution from an individual retirement annuity, as
17 defined under Section 408(b) of the Internal Revenue Code of
18 1986.

19 "Internal Revenue Code of 1986" means the United States
20 Internal Revenue Code of 1986 or any successor law or laws
21 relating to federal income taxes in effect for the year
22 preceding the taxable year.

23 "Life care facility that qualifies as a cooperative" means
24 a facility as defined in Section 2 of the Life Care Facilities
25 Act.

26 "Maximum income limitation" means:

- 1 (1) \$35,000 prior to taxable year 1999;
- 2 (2) \$40,000 in taxable years 1999 through 2003;
- 3 (3) \$45,000 in taxable years 2004 through 2005;
- 4 (4) \$50,000 in taxable years 2006 and 2007;
- 5 (5) \$55,000 in taxable years 2008 through 2016;
- 6 (6) for taxable year 2017, (i) \$65,000 for qualified
7 property located in a county with 3,000,000 or more
8 inhabitants and (ii) \$55,000 for qualified property
9 located in a county with fewer than 3,000,000 inhabitants;
10 and
- 11 (7) for taxable years 2018 and thereafter, \$65,000 for
12 all qualified property.

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

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

26 (c) Beginning in taxable year 1994, a senior citizens

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

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

1 year 2006, the amount of the exemption is as follows:

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

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

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

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

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

26 When the applicant is a surviving spouse of an applicant

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

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

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

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

4 When a homestead exemption has been granted under this
5 Section and an applicant then becomes a resident of a facility
6 licensed under the Assisted Living and Shared Housing Act, the
7 Nursing Home Care Act, the Specialized Mental Health
8 Rehabilitation Act of 2013, the ID/DD Community Care Act, or
9 the MC/DD Act, the exemption shall be granted in subsequent
10 years so long as the residence (i) continues to be occupied by
11 the qualified applicant's spouse or (ii) if remaining
12 unoccupied, is still owned by the qualified applicant for the
13 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, advanced practice registered nurse,
25 or physician assistant stating the nature and extent of the
26 condition, that, in the physician's, advanced practice

1 registered nurse's, or physician assistant's opinion, the
2 condition was so severe that it rendered the applicant
3 incapable of filing the application in a timely manner, and the
4 date on which the applicant regained the capability to file the
5 application.

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

23 In counties having less than 3,000,000 inhabitants, if an
24 applicant was denied an exemption in taxable year 1994 and the
25 denial occurred due to an error on the part of an assessment
26 official, or his or her agent or employee, then beginning in

1 taxable year 1997 the applicant's base year, for purposes of
2 determining the amount of the exemption, shall be 1993 rather
3 than 1994. In addition, in taxable year 1997, the applicant's
4 exemption shall also include an amount equal to (i) the amount
5 of any exemption denied to the applicant in taxable year 1995
6 as a result of using 1994, rather than 1993, as the base year,
7 (ii) the amount of any exemption denied to the applicant in
8 taxable year 1996 as a result of using 1994, rather than 1993,
9 as the base year, and (iii) the amount of the exemption
10 erroneously denied for taxable year 1994.

11 For purposes of this Section, a person who will be 65 years
12 of age during the current taxable year shall be eligible to
13 apply for the homestead exemption during that taxable year.
14 Application shall be made during the application period in
15 effect for the county of his or her residence.

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

26 Except as provided in this Section, all information

1 received by the chief county assessment officer or the
2 Department from applications filed under this Section, or from
3 any investigation conducted under the provisions of this
4 Section, shall be confidential, except for official purposes or
5 pursuant to official procedures for collection of any State or
6 local tax or enforcement of any civil or criminal penalty or
7 sanction imposed by this Act or by any statute or ordinance
8 imposing a State or local tax. Any person who divulges any such
9 information in any manner, except in accordance with a proper
10 judicial order, is guilty of a Class A misdemeanor.

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

18 Notwithstanding any other provision of law, for taxable
19 year 2017 and thereafter, in counties of 3,000,000 or more
20 inhabitants, the amount of the exemption shall be the greater
21 of (i) the amount of the exemption otherwise calculated under
22 this Section or (ii) \$2,000.

23 (d) Each Chief County Assessment Officer shall annually
24 publish a notice of availability of the exemption provided
25 under this Section. The notice shall be published at least 60
26 days but no more than 75 days prior to the date on which the

1 application must be submitted to the Chief County Assessment
2 Officer of the county in which the property is located. The
3 notice shall appear in a newspaper of general circulation in
4 the county.

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

8 (Source: P.A. 99-143, eff. 7-27-15; 99-180, eff. 7-29-15;
9 99-581, eff. 1-1-17; 99-642, eff. 7-28-16; 100-401, eff.
10 8-25-17; 100-513, eff. 1-1-18; 100-863, eff. 8-14-18.)

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