



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0143

Introduced 1/14/2021, by Rep. Debbie Meyers-Martin

SYNOPSIS AS INTRODUCED:

320 ILCS 30/2
320 ILCS 30/3

from Ch. 67 1/2, par. 452
from Ch. 67 1/2, par. 453

Amends the Senior Citizens Real Estate Tax Deferral Act. Provides that the income limitation under the Act is \$65,000 beginning tax year 2021 (currently, \$55,000). Provides that, beginning with the 2021 tax year, the total amount of any such deferral shall not exceed \$12,000 per taxpayer in each tax year and the interest shall accrue at the rate of 2% (currently, 6%). Effective immediately.

LRB102 05122 HLH 15143 b

FISCAL 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 Senior Citizens Real Estate Tax Deferral
5 Act is amended by changing Sections 2 and 3 as follows:

6 (320 ILCS 30/2) (from Ch. 67 1/2, par. 452)

7 Sec. 2. Definitions. As used in this Act:

8 (a) "Taxpayer" means an individual whose household income
9 for the year is no greater than: (i) \$40,000 through tax year
10 2005; (ii) \$50,000 for tax years 2006 through 2011; ~~and~~ (iii)
11 \$55,000 for tax years ~~year~~ 2012 through 2020; and (iv) \$65,000
12 for tax year 2021 and thereafter.

13 (b) "Tax deferred property" means the property upon which
14 real estate taxes are deferred under this Act.

15 (c) "Homestead" means the land and buildings thereon,
16 including a condominium or a dwelling unit in a multidwelling
17 building that is owned and operated as a cooperative, occupied
18 by the taxpayer as his residence or which are temporarily
19 unoccupied by the taxpayer because such taxpayer is
20 temporarily residing, for not more than 1 year, in a licensed
21 facility as defined in Section 1-113 of the Nursing Home Care
22 Act.

23 (d) "Real estate taxes" or "taxes" means the taxes on real

1 property for which the taxpayer would be liable under the
2 Property Tax Code, including special service area taxes, and
3 special assessments on benefited real property for which the
4 taxpayer would be liable to a unit of local government.

5 (e) "Department" means the Department of Revenue.

6 (f) "Qualifying property" means a homestead which (a) the
7 taxpayer or the taxpayer and his spouse own in fee simple or
8 are purchasing in fee simple under a recorded instrument of
9 sale, (b) is not income-producing property, (c) is not subject
10 to a lien for unpaid real estate taxes when a claim under this
11 Act is filed, and (d) is not held in trust, other than an
12 Illinois land trust with the taxpayer identified as the sole
13 beneficiary, if the taxpayer is filing for the program for the
14 first time effective as of the January 1, 2011 assessment year
15 or tax year 2012 and thereafter.

16 (g) "Equity interest" means the current assessed valuation
17 of the qualified property times the fraction necessary to
18 convert that figure to full market value minus any outstanding
19 debts or liens on that property. In the case of qualifying
20 property not having a separate assessed valuation, the
21 appraised value as determined by a qualified real estate
22 appraiser shall be used instead of the current assessed
23 valuation.

24 (h) "Household income" has the meaning ascribed to that
25 term in the Senior Citizens and Persons with Disabilities
26 Property Tax Relief Act.

1 (i) "Collector" means the county collector or, if the
2 taxes to be deferred are special assessments, an official
3 designated by a unit of local government to collect special
4 assessments.

5 (Source: P.A. 99-143, eff. 7-27-15.)

6 (320 ILCS 30/3) (from Ch. 67 1/2, par. 453)

7 Sec. 3. A taxpayer may, on or before March 1 of each year,
8 apply to the county collector of the county where his
9 qualifying property is located, or to the official designated
10 by a unit of local government to collect special assessments
11 on the qualifying property, as the case may be, for a deferral
12 of all or a part of real estate taxes payable during that year
13 for the preceding year in the case of real estate taxes other
14 than special assessments, or for a deferral of any
15 installments payable during that year in the case of special
16 assessments, on all or part of his qualifying property. The
17 application shall be on a form prescribed by the Department
18 and furnished by the collector, (a) showing that the applicant
19 will be 65 years of age or older by June 1 of the year for
20 which a tax deferral is claimed, (b) describing the property
21 and verifying that the property is qualifying property as
22 defined in Section 2, (c) certifying that the taxpayer has
23 owned and occupied as his residence such property or other
24 qualifying property in the State for at least the last 3 years
25 except for any periods during which the taxpayer may have

1 temporarily resided in a nursing or sheltered care home, and
2 (d) specifying whether the deferral is for all or a part of the
3 taxes, and, if for a part, the amount of deferral applied for.
4 As to qualifying property not having a separate assessed
5 valuation, the taxpayer shall also file with the county
6 collector a written appraisal of the property prepared by a
7 qualified real estate appraiser together with a certificate
8 signed by the appraiser stating that he has personally
9 examined the property and setting forth the value of the land
10 and the value of the buildings thereon occupied by the
11 taxpayer as his residence.

12 The collector shall grant the tax deferral provided such
13 deferral does not exceed funds available in the Senior
14 Citizens Real Estate Deferred Tax Revolving Fund and provided
15 that the owner or owners of such real property have entered
16 into a tax deferral and recovery agreement with the collector
17 on behalf of the county or other unit of local government,
18 which agreement expressly states:

19 (1) That the total amount of taxes deferred under this
20 Act, plus interest, for the year for which a tax deferral is
21 claimed as well as for those previous years for which taxes are
22 not delinquent and for which such deferral has been claimed
23 may not exceed 80% of the taxpayer's equity interest in the
24 property for which taxes are to be deferred and that, if the
25 total deferred taxes plus interest equals 80% of the
26 taxpayer's equity interest in the property, the taxpayer shall

1 thereafter pay the annual interest due on such deferred taxes
2 plus interest so that total deferred taxes plus interest will
3 not exceed such 80% of the taxpayer's equity interest in the
4 property. Effective as of the January 1, 2011 assessment year
5 or tax year 2012 and through the 2020 tax year ~~thereafter~~, the
6 total amount of any such deferral shall not exceed \$5,000 per
7 taxpayer in each tax year. Beginning with the 2021 tax year and
8 thereafter, the total amount of any such deferral shall not
9 exceed \$12,000 per taxpayer in each tax year.

10 (2) That any real estate taxes deferred under this Act and
11 any interest accrued thereon at the rate of 2% ~~6%~~ per year are
12 a lien on the real estate and improvements thereon until paid.
13 No sale or transfer of such real property may be legally closed
14 and recorded until the taxes which would otherwise have been
15 due on the property, plus accrued interest, have been paid
16 unless the collector certifies in writing that an arrangement
17 for prompt payment of the amount due has been made with his
18 office. The same shall apply if the property is to be made the
19 subject of a contract of sale.

20 (3) That upon the death of the taxpayer claiming the
21 deferral the heirs-at-law, assignees or legatees shall have
22 first priority to the real property upon which taxes have been
23 deferred by paying in full the total taxes which would
24 otherwise have been due, plus interest. However, if such
25 heir-at-law, assignee, or legatee is a surviving spouse, the
26 tax deferred status of the property shall be continued during

1 the life of that surviving spouse if the spouse is 55 years of
2 age or older within 6 months of the date of death of the
3 taxpayer and enters into a tax deferral and recovery agreement
4 before the time when deferred taxes become due under this
5 Section. Any additional taxes deferred, plus interest, on the
6 real property under a tax deferral and recovery agreement
7 signed by a surviving spouse shall be added to the taxes and
8 interest which would otherwise have been due, and the payment
9 of which has been postponed during the life of such surviving
10 spouse, in determining the 80% equity requirement provided by
11 this Section.

12 (4) That if the taxes due, plus interest, are not paid by
13 the heir-at-law, assignee or legatee or if payment is not
14 postponed during the life of a surviving spouse, the deferred
15 taxes and interest shall be recovered from the estate of the
16 taxpayer within one year of the date of his death. In addition,
17 deferred real estate taxes and any interest accrued thereon
18 are due within 90 days after any tax deferred property ceases
19 to be qualifying property as defined in Section 2.

20 If payment is not made when required by this Section,
21 foreclosure proceedings may be instituted under the Property
22 Tax Code.

23 (5) That any joint owner has given written prior approval
24 for such agreement, which written approval shall be made a
25 part of such agreement.

26 (6) That a guardian for a person under legal disability

1 appointed for a taxpayer who otherwise qualifies under this
2 Act may act for the taxpayer in complying with this Act.

3 (7) That a taxpayer or his agent has provided to the
4 satisfaction of the collector, sufficient evidence that the
5 qualifying property on which the taxes are to be deferred is
6 insured against fire or casualty loss for at least the total
7 amount of taxes which have been deferred.

8 If the taxes to be deferred are special assessments, the
9 unit of local government making the assessments shall forward
10 a copy of the agreement entered into pursuant to this Section
11 and the bills for such assessments to the county collector of
12 the county in which the qualifying property is located.

13 (Source: P.A. 97-481, eff. 8-22-11.)

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.