

HB0403



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0403

Introduced 2/8/2021, by Rep. LaToya Greenwood

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

Amends the Property Tax Code. With respect to the Senior Citizens Assessment Freeze Homestead Exemption, provides that, beginning in assessment year 2021, the taxpayer's household income shall be reduced by any amounts paid as Medicare premiums. Effective immediately.

LRB102 10054 HLH 15374 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
16 value of any added improvements which increased the assessed
17 value of 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
7 equalized assessed value of the residence is less than the
8 equalized assessed value in the existing base year (provided
9 that such equalized assessed value is not based on an assessed
10 value that results from a temporary irregularity in the
11 property that reduces the assessed value for one or more
12 taxable years), then that subsequent taxable year shall become
13 the base year until a new base year is established under the
14 terms of this paragraph. For taxable year 1999 only, the Chief
15 County Assessment Officer shall review (i) all taxable years
16 for which the applicant applied and qualified for the
17 exemption and (ii) the existing base year. The assessment
18 officer shall select as the new base year the year with the
19 lowest equalized assessed value. An equalized assessed value
20 that is based on an assessed value that results from a
21 temporary irregularity in the property that reduces the
22 assessed value for one or more taxable years shall not be
23 considered the lowest equalized assessed value. The selected
24 year shall be the base year for taxable year 1999 and
25 thereafter until a new base year is established under the
26 terms of this paragraph.

1 "Chief County Assessment Officer" means the County
2 Assessor or Supervisor of Assessments of the county in which
3 the property is located.

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

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

9 "Household income" means the combined income of the
10 members of a household for the calendar year preceding the
11 taxable year. Beginning in taxable year 2021, the taxpayer's
12 household income shall be reduced by the amount of Medicare
13 premiums paid by the taxpayer during that calendar year.

14 "Income" has the same meaning as provided in Section 3.07
15 of the Senior Citizens and Persons with Disabilities Property
16 Tax Relief Act, except that, beginning in assessment year
17 2001, "income" does not include veteran's benefits.

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

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

25 "Maximum income limitation" means:

26 (1) \$35,000 prior to taxable year 1999;

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

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

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

25 (c) Beginning in taxable year 1994, a senior citizens
26 assessment freeze homestead exemption is granted for real

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

17 In counties of 3,000,000 or more inhabitants, the amount
18 of the exemption for all taxable years is the equalized
19 assessed value of the residence in the taxable year for which
20 application is made minus the base amount. In all other
21 counties, the amount of the exemption is as follows: (i)
22 through taxable year 2005 and for taxable year 2007 and
23 thereafter, the amount of this exemption shall be the
24 equalized assessed value of the residence in the taxable year
25 for which application is made minus the base amount; and (ii)
26 for taxable year 2006, the amount of the exemption is as

1 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
10 made 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
15 made 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
20 made 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
25 made 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
6 to the County Clerk, the Board of Review or Board of Appeals
7 shall 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
14 maximum reduction from the equalized assessed value of the
15 property is limited to the sum of the reductions calculated
16 for each unit occupied as a residence by a person or persons
17 (i) 65 years of age or older, (ii) with a household income that
18 does not exceed the maximum income limitation, (iii) who is
19 liable, by contract with the owner or owners of record, for
20 paying real property taxes on the property, and (iv) who is an
21 owner of record of a legal or equitable interest in the
22 cooperative apartment building, other than a leasehold
23 interest. In the instance of a cooperative where a homestead
24 exemption has been granted under this Section, the cooperative
25 association or its management firm shall credit the savings
26 resulting from that exemption only to the apportioned tax

1 liability of the owner who qualified for the exemption. Any
2 person who willfully refuses to credit that savings to an
3 owner who qualifies for the exemption is guilty of a Class B
4 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 of 2013, the ID/DD Community Care Act, or
10 the MC/DD Act, the exemption shall be granted in subsequent
11 years so long as the residence (i) continues to be occupied by
12 the qualified applicant's spouse or (ii) if remaining
13 unoccupied, is still owned by the qualified applicant for the
14 homestead exemption.

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

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

1 For taxable year 1994 only, in counties having less than
2 3,000,000 inhabitants, to receive the exemption, a person
3 shall submit an application by February 15, 1995 to the Chief
4 County Assessment Officer of the county in which the property
5 is located. In counties having 3,000,000 or more inhabitants,
6 for taxable year 1994 and all subsequent taxable years, to
7 receive the exemption, a person may submit an application to
8 the Chief County Assessment Officer of the county in which the
9 property is located during such period as may be specified by
10 the Chief County Assessment Officer. The Chief County
11 Assessment Officer in counties of 3,000,000 or more
12 inhabitants shall annually give notice of the application
13 period by mail or by publication. In counties having less than
14 3,000,000 inhabitants, beginning with taxable year 1995 and
15 thereafter, to receive the exemption, a person shall submit an
16 application by July 1 of each taxable year to the Chief County
17 Assessment Officer of the county in which the property is
18 located. A county may, by ordinance, establish a date for
19 submission of applications that is different than July 1. The
20 applicant shall submit with the application an affidavit of
21 the applicant's total household income, age, marital status
22 (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 Senior Citizens Assessment Freeze Homestead Exemption
10 and must contain a notice that any taxpayer who receives the
11 exemption is subject to an audit by the Chief County
12 Assessment Officer.

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

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

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

25 In counties having less than 3,000,000 inhabitants, if an
26 applicant was denied an exemption in taxable year 1994 and the

1 denial occurred due to an error on the part of an assessment
2 official, or his or her agent or employee, then beginning in
3 taxable year 1997 the applicant's base year, for purposes of
4 determining the amount of the exemption, shall be 1993 rather
5 than 1994. In addition, in taxable year 1997, the applicant's
6 exemption shall also include an amount equal to (i) the amount
7 of any exemption denied to the applicant in taxable year 1995
8 as a result of using 1994, rather than 1993, as the base year,
9 (ii) the amount of any exemption denied to the applicant in
10 taxable year 1996 as a result of using 1994, rather than 1993,
11 as the base year, and (iii) the amount of the exemption
12 erroneously denied for taxable year 1994.

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

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

1 credited that exemption.

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

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

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

25 (c-5) Notwithstanding any other provision of law, each
26 chief county assessment officer may approve this exemption for

1 the 2020 taxable year, without application, for any property
2 that was approved for this exemption for the 2019 taxable
3 year, provided that:

4 (1) the county board has declared a local disaster as
5 provided in the Illinois Emergency Management Agency Act
6 related to the COVID-19 public health emergency;

7 (2) the owner of record of the property as of January
8 1, 2020 is the same as the owner of record of the property
9 as of January 1, 2019;

10 (3) the exemption for the 2019 taxable year has not
11 been determined to be an erroneous exemption as defined by
12 this Code; and

13 (4) the applicant for the 2019 taxable year has not
14 asked for the exemption to be removed for the 2019 or 2020
15 taxable years.

16 Nothing in this subsection shall preclude or impair the
17 authority of a chief county assessment officer to conduct
18 audits of any taxpayer claiming an exemption under this
19 Section to verify that the taxpayer is eligible to receive the
20 exemption as provided elsewhere in this Section.

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

1 notice shall appear in a newspaper of general circulation in
2 the county.

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

6 (Source: P.A. 100-401, eff. 8-25-17; 100-513, eff. 1-1-18;
7 100-863, eff. 8-14-18; 101-635, eff. 6-5-20.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.