



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB5101

Introduced 1/27/2022, by Rep. Jim Durkin

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. In provisions concerning the homestead exemption for veterans with disabilities, provides that, beginning in tax year 2023, if the veteran has a service connected disability of 70% or more, and his or her property has an equalized assessed value that is equal to or greater than the maximum allowable amount for the tax year, then the property is considered qualified property and is exempt from taxation under the Code up to the maximum allowable amount for the tax year. Indexes the maximum allowable amount to the percentage increase, if any, in the Consumer Price Index. Effective immediately.

LRB102 25481 HLH 34769 b

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 veterans with  
8 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 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  
17 years 2007 through 2009 and (ii) 70% for exemptions  
18 granted in taxable year 2010 and each taxable year  
19 thereafter, as certified by the United States Department  
20 of Veterans 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%

1 for exemptions granted in taxable year 2010 and each  
2 taxable 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 disability  
7 of 30% or more but less than 50%, as certified by the  
8 United States Department of Veterans Affairs, then the  
9 annual exemption is \$2,500;

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

14 (3) if the veteran has a service connected disability  
15 of 70% or more, as certified by the United States  
16 Department of Veterans Affairs, then the property is  
17 exempt from taxation under this Code. Notwithstanding any  
18 other provision of this Section, beginning in tax year  
19 2023, if the veteran has a service connected disability of  
20 70% or more, and his or her property has an equalized  
21 assessed value that is equal to or greater than the  
22 maximum allowable amount for the tax year, then the  
23 property is exempt from taxation under this Code, but only  
24 up to the maximum allowable amount for the tax year.

25 (b-5) If a homestead exemption is granted under this  
26 Section and the person awarded the exemption subsequently

1 becomes a resident of a facility licensed under the Nursing  
2 Home Care Act or a facility operated by the United States  
3 Department of Veterans Affairs, then the exemption shall  
4 continue (i) so long as the residence continues to be occupied  
5 by the qualifying person's spouse or (ii) if the residence  
6 remains unoccupied but is still owned by the person who  
7 qualified for the homestead exemption.

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

17 (c-1) Beginning with taxable year 2015, nothing in this  
18 Section shall require the veteran to have qualified for or  
19 obtained the exemption before death if the veteran was killed  
20 in the line of duty.

21 (d) The exemption under this Section applies for taxable  
22 year 2007 and thereafter. A taxpayer who claims an exemption  
23 under Section 15-165 or 15-168 may not claim an exemption  
24 under this Section.

25 (e) Each taxpayer who has been granted an exemption under  
26 this Section must reapply on an annual basis. Application must

1 be made during the application period in effect for the county  
2 of his or her residence. The assessor or chief county  
3 assessment officer may determine the eligibility of  
4 residential property to receive the homestead exemption  
5 provided by this Section by application, visual inspection,  
6 questionnaire, or other reasonable methods. The determination  
7 must be made in accordance with guidelines established by the  
8 Department.

9 (e-1) If the person qualifying for the exemption does not  
10 occupy the qualified residence as of January 1 of the taxable  
11 year, the exemption granted under this Section shall be  
12 prorated on a monthly basis. The prorated exemption shall  
13 apply beginning with the first complete month in which the  
14 person occupies the qualified residence.

15 (e-5) Notwithstanding any other provision of law, each  
16 chief county assessment officer may approve this exemption for  
17 the 2020 taxable year, without application, for any property  
18 that was approved for this exemption for the 2019 taxable  
19 year, provided that:

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

23 (2) the owner of record of the property as of January  
24 1, 2020 is the same as the owner of record of the property  
25 as of January 1, 2019;

26 (3) the exemption for the 2019 taxable year has not

1           been determined to be an erroneous exemption as defined by  
2           this Code; and

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

6           Nothing in this subsection shall preclude a veteran whose  
7           service connected disability rating has changed since the 2019  
8           exemption was granted from applying for the exemption based on  
9           the subsequent service connected disability rating.

10          (e-10) Notwithstanding any other provision of law, each  
11          chief county assessment officer may approve this exemption for  
12          the 2021 taxable year, without application, for any property  
13          that was approved for this exemption for the 2020 taxable  
14          year, if:

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

18               (2) the owner of record of the property as of January  
19               1, 2021 is the same as the owner of record of the property  
20               as of January 1, 2020;

21               (3) the exemption for the 2020 taxable year has not  
22               been determined to be an erroneous exemption as defined by  
23               this Code; and

24               (4) the taxpayer for the 2020 taxable year has not  
25               asked for the exemption to be removed for the 2020 or 2021  
26               taxable years.

1 Nothing in this subsection shall preclude a veteran whose  
2 service connected disability rating has changed since the 2020  
3 exemption was granted from applying for the exemption based on  
4 the subsequent service connected disability rating.

5 (f) For the purposes of this Section:

6 "Maximum allowable amount" means: (1) until tax year 2023,  
7 \$250,000; and (2) for tax year 2023 and thereafter, the  
8 maximum allowable amount for the previous tax year, increased  
9 by the percentage increase, if any, in the Consumer Price  
10 Index for All Urban Consumers, as issued by the United States  
11 Department of Labor, during the 12-month calendar year  
12 preceding the tax year.

13 "Qualified residence" means real property, but less any  
14 portion of that property that is used for commercial purposes,  
15 with an equalized assessed value of less than the maximum  
16 allowable amount ~~\$250,000~~ that is the primary residence of a  
17 veteran with a disability. Property rented for more than 6  
18 months is presumed to be used for commercial purposes.  
19 Property with an equalized assessed value that is equal to or  
20 more than the maximum allowable amount that would otherwise be  
21 considered a qualified residence under this Section and is  
22 used as a primary residence by a veteran with a service  
23 connected disability of 70% or more is also considered a  
24 qualified residence; however, the exemption is limited as  
25 provided in paragraph (3) of subsection (b-3).

26 "Veteran" means an Illinois resident who has served as a

1 member of the United States Armed Forces on active duty or  
2 State active duty, a member of the Illinois National Guard, or  
3 a member of the United States Reserve Forces and who has  
4 received an honorable discharge.

5 (Source: P.A. 101-635, eff. 6-5-20; 102-136, eff. 7-23-21.)

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.