



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB5096

Introduced 2/8/2024, by Rep. Harry Benton

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. Provides that, in the case of a veteran with a disability who dies on or after the effective date of the amendatory Act, the exemption for veterans with a disability carries over to the benefit of a surviving immediate family member of the veteran if: (i) the immediate family member resided with the veteran and served as the veteran's caregiver immediately prior to the veteran's death; (ii) the veteran designated the immediate family member as the veteran's caregiver; and (iii) the immediate family member continues to use the residence as his or her primary residence.

LRB103 38949 HLH 69086 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;

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; and

18 (4) for taxable year 2023 and thereafter, if the  
19 taxpayer is the surviving spouse of a veteran whose death  
20 was determined to be service-connected and who is  
21 certified by the United States Department of Veterans  
22 Affairs as a recipient of dependency and indemnity  
23 compensation under federal law, then the property is also  
24 exempt from taxation under this Code.

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. In the case of a veteran with a disability who  
17 dies on or after the effective date of this amendatory Act of  
18 the 103rd General Assembly, the tax exemption under this  
19 Section also carries over to the benefit of a surviving  
20 immediate family member of the veteran if: (i) the immediate  
21 family member resided with the veteran and served as the  
22 veteran's caregiver immediately prior to the veteran's death;  
23 (ii) the veteran designated the immediate family member as the  
24 veteran's caregiver on the application for an exemption under  
25 this Section filed for the most recent taxable year to occur  
26 before the veteran's death; and (iii) the immediate family

1 member continues to use the residence as his or her primary  
2 residence.

3 As used in this subsection (c):

4 (1) for taxable years prior to 2015, "surviving  
5 spouse" means the surviving spouse of a veteran who  
6 obtained an exemption under this Section prior to his or  
7 her death;

8 (2) for taxable years 2015 through 2022, "surviving  
9 spouse" means (i) the surviving spouse of a veteran who  
10 obtained an exemption under this Section prior to his or  
11 her death and (ii) the surviving spouse of a veteran who  
12 was killed in the line of duty at any time prior to the  
13 expiration of the application period in effect for the  
14 exemption for the taxable year for which the exemption is  
15 sought; and

16 (3) for taxable year 2023 and thereafter, "surviving  
17 spouse" means: (i) the surviving spouse of a veteran who  
18 obtained the exemption under this Section prior to his or  
19 her death; (ii) the surviving spouse of a veteran who was  
20 killed in the line of duty at any time prior to the  
21 expiration of the application period in effect for the  
22 exemption for the taxable year for which the exemption is  
23 sought; (iii) the surviving spouse of a veteran who did  
24 not obtain an exemption under this Section before death,  
25 but who would have qualified for the exemption under this  
26 Section in the taxable year for which the exemption is

1 sought if he or she had survived, and whose surviving  
2 spouse has been a resident of Illinois from the time of the  
3 veteran's death through the taxable year for which the  
4 exemption is sought; and (iv) the surviving spouse of a  
5 veteran whose death was determined to be  
6 service-connected, but who would not otherwise qualify  
7 under item (i), (ii), or (iii), if the spouse (A) is  
8 certified by the United States Department of Veterans  
9 Affairs as a recipient of dependency and indemnity  
10 compensation under federal law at any time prior to the  
11 expiration of the application period in effect for the  
12 exemption for the taxable year for which the exemption is  
13 sought and (B) remains eligible for that dependency and  
14 indemnity compensation as of January 1 of the taxable year  
15 for which the exemption is sought.

16 "Immediate family member" means the parent, sibling, or  
17 child or the veteran with a disability.

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

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

26 (e) Except as otherwise provided in this subsection (e),

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

10 On and after May 23, 2022 (the effective date of Public Act  
11 102-895), if a veteran has a combined service connected  
12 disability rating of 100% and is deemed to be permanently and  
13 totally disabled, as certified by the United States Department  
14 of Veterans Affairs, the taxpayer who has been granted an  
15 exemption under this Section shall no longer be required to  
16 reapply for the exemption on an annual basis, and the  
17 exemption shall be in effect for as long as the exemption would  
18 otherwise be permitted under this Section.

19 (e-1) If the person qualifying for the exemption does not  
20 occupy the qualified residence as of January 1 of the taxable  
21 year, the exemption granted under this Section shall be  
22 prorated on a monthly basis. The prorated exemption shall  
23 apply beginning with the first complete month in which the  
24 person occupies the qualified residence.

25 (e-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 a veteran whose  
17 service connected disability rating has changed since the 2019  
18 exemption was granted from applying for the exemption based on  
19 the subsequent service connected disability rating.

20 (e-10) Notwithstanding any other provision of law, each  
21 chief county assessment officer may approve this exemption for  
22 the 2021 taxable year, without application, for any property  
23 that was approved for this exemption for the 2020 taxable  
24 year, if:

25 (1) the county board has declared a local disaster as  
26 provided in the Illinois Emergency Management Agency Act



1 related to the COVID-19 public health emergency;

2 (2) the owner of record of the property as of January  
3 1, 2021 is the same as the owner of record of the property  
4 as of January 1, 2020;

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

8 (4) the taxpayer for the 2020 taxable year has not  
9 asked for the exemption to be removed for the 2020 or 2021  
10 taxable years.

11 Nothing in this subsection shall preclude a veteran whose  
12 service connected disability rating has changed since the 2020  
13 exemption was granted from applying for the exemption based on  
14 the subsequent service connected disability rating.

15 (f) For the purposes of this Section:

16 "Qualified residence" means real property, but less any  
17 portion of that property that is used for commercial purposes,  
18 with an equalized assessed value of less than \$250,000 that is  
19 the primary residence of a veteran with a disability. Property  
20 rented for more than 6 months is presumed to be used for  
21 commercial purposes.

22 "Veteran" means an Illinois resident who has served as a  
23 member of the United States Armed Forces on active duty or  
24 State active duty, a member of the Illinois National Guard, or  
25 a member of the United States Reserve Forces and who has  
26 received an honorable discharge.

1 (Source: P.A. 102-136, eff. 7-23-21; 102-895, eff. 5-23-22;  
2 103-154, eff. 6-30-23.)