

SB2700



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2700

Introduced 1/10/2024, by Sen. Julie A. Morrison

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 the exemption applies to all real property that is the primary residence of a veteran with a disability (currently, property with an equalized assessed value of less than \$250,000 that is the primary residence of a veteran with a disability). Provides that, with respect to veterans with a service connected disability of 70% or more and surviving spouses of veterans whose deaths were service-connected, the first \$250,000 in equalized assessed value of the property is exempt.

LRB103 35897 HLH 65982 b

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 15-169 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 as provided in this Section ~~to the amounts~~
11 ~~set forth in subsections (b) and (b-3)~~, is granted for
12 property that is used as a qualified residence by a veteran
13 with a disability.

14 (b) For taxable years prior to 2015, the amount of the
15 exemption under this Section is as follows:

16 (1) for veterans with a service-connected disability
17 of at least (i) 75% for exemptions granted in taxable
18 years 2007 through 2009 and (ii) 70% for exemptions
19 granted in taxable year 2010 and each taxable year
20 thereafter, as certified by the United States Department
21 of Veterans Affairs, the annual exemption is \$5,000; and

22 (2) for veterans with a service-connected disability
23 of at least 50%, but less than (i) 75% for exemptions

1 granted in taxable years 2007 through 2009 and (ii) 70%
2 for exemptions granted in taxable year 2010 and each
3 taxable year thereafter, as certified by the United States
4 Department of Veterans Affairs, the annual exemption is
5 \$2,500.

6 (b-3) For taxable years 2015 through 2023 ~~and thereafter~~:

7 (1) if the veteran has a service connected disability
8 of 30% or more but less than 50%, as certified by the
9 United States Department of Veterans Affairs, then the
10 annual exemption is \$2,500;

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

15 (3) if the veteran has a service connected disability
16 of 70% or more, as certified by the United States
17 Department of Veterans Affairs, then the property is
18 exempt from taxation under this Code; and

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

26 (b-4) For taxable year 2024 and thereafter:

1 (1) if the veteran has a service connected disability
2 of 30% or more but less than 50%, as certified by the
3 United States Department of Veterans Affairs, then the
4 annual exemption is \$2,500;

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

9 (3) if the veteran has a service connected disability
10 of 70% or more, as certified by the United States
11 Department of Veterans Affairs, then the first \$250,000 in
12 equalized assessed value of the property is exempt from
13 taxation under this Code; and

14 (4) if the taxpayer is the surviving spouse of a
15 veteran whose death was determined to be service-connected
16 and who is certified by the United States Department of
17 Veterans Affairs as a recipient of dependency and
18 indemnity compensation under federal law, then the first
19 \$250,000 in equalized assessed value of the property is
20 also exempt from taxation under this Code.

21 This amendatory Act of the 103rd General Assembly shall
22 not be used as the basis for any appeal filed with the chief
23 county assessment officer, the board of review, the Property
24 Tax Appeal Board, or the circuit court with respect to the
25 scope or meaning of the exemption under this Section for a tax
26 year prior to tax year 2024.

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

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

19 As used in this subsection (c):

20 (1) for taxable years prior to 2015, "surviving
21 spouse" means the surviving spouse of a veteran who
22 obtained an exemption under this Section prior to his or
23 her death;

24 (2) for taxable years 2015 through 2022, "surviving
25 spouse" means (i) the surviving spouse of a veteran who
26 obtained an exemption under this Section prior to his or

1 her death and (ii) the surviving spouse of a veteran who
2 was killed in the line of duty at any time prior to the
3 expiration of the application period in effect for the
4 exemption for the taxable year for which the exemption is
5 sought; and

6 (3) for taxable year 2023 and thereafter, "surviving
7 spouse" means: (i) the surviving spouse of a veteran who
8 obtained the exemption under this Section prior to his or
9 her death; (ii) the surviving spouse of a veteran who was
10 killed in the line of duty 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; (iii) the surviving spouse of a veteran who did
14 not obtain an exemption under this Section before death,
15 but who would have qualified for the exemption under this
16 Section in the taxable year for which the exemption is
17 sought if he or she had survived, and whose surviving
18 spouse has been a resident of Illinois from the time of the
19 veteran's death through the taxable year for which the
20 exemption is sought; and (iv) the surviving spouse of a
21 veteran whose death was determined to be
22 service-connected, but who would not otherwise qualify
23 under item (i), (ii), or (iii), if the spouse (A) is
24 certified by the United States Department of Veterans
25 Affairs as a recipient of dependency and indemnity
26 compensation under federal law at any time prior to the

1 expiration of the application period in effect for the
2 exemption for the taxable year for which the exemption is
3 sought and (B) remains eligible for that dependency and
4 indemnity compensation as of January 1 of the taxable year
5 for which the exemption is sought.

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

10 (d) The exemption under this Section applies for taxable
11 year 2007 and thereafter. A taxpayer who claims an exemption
12 under Section 15-165 or 15-168 may not claim an exemption
13 under this Section.

14 (e) Except as otherwise provided in this subsection (e),
15 each taxpayer who has been granted an exemption under this
16 Section must reapply on an annual basis. Application must be
17 made during the application period in effect for the county of
18 his or her residence. The assessor or chief county assessment
19 officer may determine the eligibility of residential property
20 to receive the homestead exemption provided by this Section by
21 application, visual inspection, questionnaire, or other
22 reasonable methods. The determination must be made in
23 accordance with guidelines established by the Department.

24 On and after May 23, 2022 (the effective date of Public Act
25 102-895), if a veteran has a combined service connected
26 disability rating of 100% and is deemed to be permanently and

1 totally disabled, as certified by the United States Department
2 of Veterans Affairs, the taxpayer who has been granted an
3 exemption under this Section shall no longer be required to
4 reapply for the exemption on an annual basis, and the
5 exemption shall be in effect for as long as the exemption would
6 otherwise be permitted under this Section.

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

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

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

21 (2) the owner of record of the property as of January
22 1, 2020 is the same as the owner of record of the property
23 as of January 1, 2019;

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

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

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

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

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

16 (2) the owner of record of the property as of January
17 1, 2021 is the same as the owner of record of the property
18 as of January 1, 2020;

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

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

25 Nothing in this subsection shall preclude a veteran whose
26 service connected disability rating has changed since the 2020

1 exemption was granted from applying for the exemption based on
2 the subsequent service connected disability rating.

3 (f) For the purposes of this Section:

4 "Qualified residence" means, before tax year 2024, real
5 property, but less any portion of that property that is used
6 for commercial purposes, with an equalized assessed value of
7 less than \$250,000 that is the primary residence of a veteran
8 with a disability. "Qualified residence" means, for tax year
9 2024 and thereafter, real property, but less any portion of
10 that property that is used for commercial purposes, that is
11 the primary residence of a veteran with a disability. Property
12 rented for more than 6 months is presumed to be used for
13 commercial purposes.

14 "Veteran" means an Illinois resident who has served as a
15 member of the United States Armed Forces on active duty or
16 State active duty, a member of the Illinois National Guard, or
17 a member of the United States Reserve Forces and who has
18 received an honorable discharge.

19 (Source: P.A. 102-136, eff. 7-23-21; 102-895, eff. 5-23-22;
20 103-154, eff. 6-30-23.)