

# SB2709



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2709

Introduced 1/10/2024, by Sen. Sue Rezin

### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-169

Amends the Property Tax Code. Provides that property that has been granted the homestead exemption for veterans with disabilities is 100% exempt from taxation under the Code if the veteran has a service connected disability of 60% or more (currently, 70%). Effective immediately.

LRB103 35937 HLH 66024 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 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 through 2024 ~~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-4) For taxable years 2025 and thereafter:

26 (1) if the veteran has a service connected disability

1       of 30% or more but less than 50%, as certified by the  
2       United States Department of Veterans Affairs, then the  
3       annual exemption is \$2,500;

4       (2) if the veteran has a service connected disability  
5       of 50% or more but less than 60%, as certified by the  
6       United States Department of Veterans Affairs, then the  
7       annual exemption is \$5,000;

8       (3) if the veteran has a service connected disability  
9       of 60% or more, as certified by the United States  
10       Department of Veterans Affairs, then the property is  
11       exempt from taxation under this Code; and

12       (4) if the taxpayer is the surviving spouse of a  
13       veteran whose death was determined to be service-connected  
14       and who is certified by the United States Department of  
15       Veterans Affairs as a recipient of dependency and  
16       indemnity compensation under federal law, then the  
17       property is also exempt from taxation under this Code.

18       (b-5) If a homestead exemption is granted under this  
19 Section and the person awarded the exemption subsequently  
20 becomes a resident of a facility licensed under the Nursing  
21 Home Care Act or a facility operated by the United States  
22 Department of Veterans Affairs, then the exemption shall  
23 continue (i) so long as the residence continues to be occupied  
24 by the qualifying person's spouse or (ii) if the residence  
25 remains unoccupied but is still owned by the person who  
26 qualified for the homestead exemption.

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

10 As used in this subsection (c):

11 (1) for taxable years prior to 2015, "surviving  
12 spouse" means the surviving spouse of a veteran who  
13 obtained an exemption under this Section prior to his or  
14 her death;

15 (2) for taxable years 2015 through 2022, "surviving  
16 spouse" means (i) the surviving spouse of a veteran who  
17 obtained an exemption under this Section prior to his or  
18 her death and (ii) the surviving spouse of a veteran who  
19 was killed in the line of duty at any time prior to the  
20 expiration of the application period in effect for the  
21 exemption for the taxable year for which the exemption is  
22 sought; and

23 (3) for taxable year 2023 and thereafter, "surviving  
24 spouse" means: (i) the surviving spouse of a veteran who  
25 obtained the exemption under this Section prior to his or  
26 her death; (ii) the surviving spouse of a veteran who was

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

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

1           (d) The exemption under this Section applies for taxable  
2 year 2007 and thereafter. A taxpayer who claims an exemption  
3 under Section 15-165 or 15-168 may not claim an exemption  
4 under this Section.

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

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

24           (e-1) If the person qualifying for the exemption does not  
25 occupy the qualified residence as of January 1 of the taxable  
26 year, the exemption granted under this Section shall be

1 prorated on a monthly basis. The prorated exemption shall  
2 apply beginning with the first complete month in which the  
3 person occupies the qualified residence.

4 (e-5) Notwithstanding any other provision of law, each  
5 chief county assessment officer may approve this exemption for  
6 the 2020 taxable year, without application, for any property  
7 that was approved for this exemption for the 2019 taxable  
8 year, provided that:

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

12 (2) the owner of record of the property as of January  
13 1, 2020 is the same as the owner of record of the property  
14 as of January 1, 2019;

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

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

21 Nothing in this subsection shall preclude a veteran whose  
22 service connected disability rating has changed since the 2019  
23 exemption was granted from applying for the exemption based on  
24 the subsequent service connected disability rating.

25 (e-10) Notwithstanding any other provision of law, each  
26 chief county assessment officer may approve this exemption for



1 the 2021 taxable year, without application, for any property  
2 that was approved for this exemption for the 2020 taxable  
3 year, if:

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, 2021 is the same as the owner of record of the property  
9 as of January 1, 2020;

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

13 (4) the taxpayer for the 2020 taxable year has not  
14 asked for the exemption to be removed for the 2020 or 2021  
15 taxable years.

16 Nothing in this subsection shall preclude a veteran whose  
17 service connected disability rating has changed since the 2020  
18 exemption was granted from applying for the exemption based on  
19 the subsequent service connected disability rating.

20 (f) For the purposes of this Section:

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

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

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

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