



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

SB2146

Introduced 10/26/2005, by Sen. Dale A. Righter - Pamela J. Althoff - Adeline Jay Geo-Karis - Peter J. Roskam - Edward Petka, et al.

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-165  
35 ILCS 200/15-166 new

Amends the Property Tax Code. Ends the current exemption for disabled veterans with the 2005 tax year. Provides that, beginning with the 2006 tax year, the total value of property that is owned and used as a homestead by (i) a disabled veteran (or his or her spouse), (ii) a veteran confined to a wheelchair (or his or her spouse), or (iii) the surviving spouse of a veteran who died from service-connected causes while on active duty is exempt from taxation. Sets forth requirements for the exemptions. Provides that a surviving spouse may transfer the exemption to homestead property acquired after the veteran's death. Requires an annual application for the exemptions. Effective immediately.

LRB094 13640 BDD 48508 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

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 15-165 and by adding Section 15-166 as follows:

6 (35 ILCS 200/15-165)

7 Sec. 15-165. Disabled veterans. This Section applies  
8 through the 2005 tax year.

9 Property up to an assessed value of \$70,000, owned and used  
10 exclusively by a disabled veteran, or the spouse or unmarried  
11 surviving spouse of the veteran, as a home, is exempt. As used  
12 in this Section, a disabled veteran means a person who has  
13 served in the Armed Forces of the United States and whose  
14 disability is of such a nature that the Federal Government has  
15 authorized payment for purchase or construction of Specially  
16 Adapted Housing as set forth in the United States Code, Title  
17 38, Chapter 21, Section 2101.

18 The exemption applies to housing where Federal funds have  
19 been used to purchase or construct special adaptations to suit  
20 the veteran's disability.

21 The exemption also applies to housing that is specially  
22 adapted to suit the veteran's disability, and purchased  
23 entirely or in part by the proceeds of a sale, casualty loss  
24 reimbursement, or other transfer of a home for which the  
25 Federal Government had previously authorized payment for  
26 purchase or construction as Specially Adapted Housing.

27 However, the entire proceeds of the sale, casualty loss  
28 reimbursement, or other transfer of that housing shall be  
29 applied to the acquisition of subsequent specially adapted  
30 housing to the extent that the proceeds equal the purchase  
31 price of the subsequently acquired housing.

32 For purposes of this Section, "unmarried surviving spouse"

1 means the surviving spouse of the veteran at any time after the  
2 death of the veteran during which such surviving spouse is not  
3 married.

4 This exemption must be reestablished on an annual basis by  
5 certification from the Illinois Department of Veterans'  
6 Affairs to the Department, which shall forward a copy of the  
7 certification to local assessing officials.

8 (Source: P.A. 94-310, eff. 7-25-05.)

9 (35 ILCS 200/15-166 new)

10 Sec. 15-166. Disabled veterans; veterans confined to  
11 wheelchairs; surviving spouses.

12 (a) This Section applies to tax years 2006 and thereafter.

13 (b) Any real estate that is owned and used as a homestead  
14 by a veteran who was honorably discharged with a  
15 service-connected total and permanent disability and for whom a  
16 letter from the United States Government or United States  
17 Department of Veterans Affairs or its predecessor has been  
18 issued certifying that the veteran is a totally and permanently  
19 disabled person is exempt from taxation, if the veteran is a  
20 permanent resident of this State on January 1 of the tax year  
21 for which exemption is being claimed or was a permanent  
22 resident of this State on January 1 of the year the veteran  
23 died.

24 The production by a veteran or the spouse or surviving  
25 spouse of a letter of total and permanent disability from the  
26 United States Government or United States Department of  
27 Veterans Affairs or its predecessor before the chief county  
28 assessment officer of the county in which property of the  
29 veteran lies is prima facie evidence of the fact that the  
30 veteran or the surviving spouse is entitled to the exemption.

31 If the totally and permanently disabled veteran  
32 predeceases his or her spouse and if, upon the death of the  
33 veteran, the spouse holds the legal or beneficial title to the  
34 homestead and permanently resides thereon, then the exemption  
35 from taxation carries over to the benefit of the veteran's

1 spouse until such time as he or she remarries or sells or  
2 otherwise disposes of the property. If the spouse sells the  
3 property, then an exemption not to exceed the amount granted  
4 from the most recent ad valorem tax roll may be transferred to  
5 his or her new residence, as long as it is used as his or her  
6 primary residence and he or she does not remarry.

7 (c) Any real estate is exempt from taxation that is used  
8 and owned as a homestead by a veteran who has been honorably  
9 discharged with a service-connected total disability and who  
10 has a certificate from the United States Government or United  
11 States Department of Veterans Affairs, or its predecessor or  
12 successors, certifying that the veteran is (i) receiving or has  
13 received special pecuniary assistance due to disability  
14 requiring specially adapted housing and (ii) required to use a  
15 wheelchair for his or her transportation.

16 The production by a veteran of a certificate of disability  
17 from the United States Government or the United States  
18 Department of Veterans Affairs, or its predecessor or  
19 successors, before the chief county assessment officer of the  
20 county in which the veteran's property lies is prima facie  
21 evidence of the fact that he or she is entitled to the  
22 exemption under this Section.

23 In the event the homestead of the wheelchair veteran was or  
24 is held with the veteran's spouse as an estate by the entirety,  
25 and in the event the veteran did or shall predecease his or her  
26 spouse, the exemption from taxation shall carry over to the  
27 benefit of the veteran's spouse, provided the spouse continues  
28 to reside on such real estate and uses it as his or her  
29 domicile or until such time as he or she remarries or sells or  
30 otherwise disposes of the property.

31 (d) Any real estate that is owned and used as a homestead  
32 by the surviving spouse of a veteran who died from  
33 service-connected causes while on active duty as a member of  
34 the United States Armed Forces and for whom a letter from the  
35 United States Government or United States Department of  
36 Veterans Affairs or its predecessor has been issued certifying

1 that the veteran who died from service-connected causes while  
2 on active duty is exempt from taxation if the veteran was a  
3 permanent resident of this state on January 1 of the year in  
4 which the veteran died.

5 The production by the surviving spouse of a letter that was  
6 issued as required under this subsection and that attests the  
7 veteran's death while on active duty is prima facie evidence of  
8 the fact that the surviving spouse is entitled to an exemption  
9 under this subsection.

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

19 (e) Every person who, on January 1, has the legal title to  
20 real or personal property that is entitled to an exemption  
21 under this Section must, on or before March 1 of each year,  
22 file an application for the exemption with the chief county  
23 assessment officer, listing and describing the property for  
24 which exemption is claimed and certifying its ownership and  
25 use. The Department of Revenue shall prescribe the forms upon  
26 which the application is made. The failure to make an  
27 application as required under this subsection constitutes a  
28 waiver of the exemption privilege for that year.

29 Once an original application for tax exemption has been  
30 granted, in each succeeding year on or before February 1, the  
31 chief county assessment officer must mail a renewal application  
32 to the applicant, and the officer shall accept from each that  
33 applicant a renewal application on a form to be prescribed by  
34 the Department of Revenue. This renewal application shall be  
35 accepted as evidence of exemption by the chief county  
36 assessment officer unless he or she denies the application.

1       (f) For the purposes of this Section:

2       "Real estate used and owned as a homestead" means real  
3 property but less any portion of that property that is used for  
4 commercial purposes, with the title of that property being  
5 recorded in the official records of the county in which the  
6 property is located. Property rented for more than 6 months is  
7 presumed to be used for commercial purposes.

8       "Totally and permanently disabled person" means a person  
9 who is currently certified by 2 licensed physicians of this  
10 State who are professionally unrelated, by the United States  
11 Department of Veterans Affairs or its predecessor, or by the  
12 Social Security Administration, to be totally and permanently  
13 disabled.

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.

18       Section 99. Effective date. This Act takes effect upon  
19 becoming law.