



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB1272

Introduced 2/15/2007, by Rep. Michael Tryon

#### SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-172

Amends the Property Tax Code. In a Section concerning the Senior Citizens Assessment Freeze Homestead Exemption, provides that the definition of "household income" does not include any amount paid by the household during the taxable year to a life care facility, as defined in Section 2 of the Life Care Facilities Act, for the care of any member of the household. Requires the Department of Revenue to establish a method for verifying the validity of any expense paid to a life care facility.

LRB095 10088 BDD 30302 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 15-172 as follows:

6 (35 ILCS 200/15-172)

7 Sec. 15-172. Senior Citizens Assessment Freeze Homestead  
8 Exemption.

9 (a) This Section may be cited as the Senior Citizens  
10 Assessment Freeze Homestead Exemption.

11 (b) As used in this Section:

12 "Applicant" means an individual who has filed an  
13 application under this Section.

14 "Base amount" means the base year equalized assessed value  
15 of the residence plus the first year's equalized assessed value  
16 of any added improvements which increased the assessed value of  
17 the residence after the base year.

18 "Base year" means the taxable year prior to the taxable  
19 year for which the applicant first qualifies and applies for  
20 the exemption provided that in the prior taxable year the  
21 property was improved with a permanent structure that was  
22 occupied as a residence by the applicant who was liable for  
23 paying real property taxes on the property and who was either

1 (i) an owner of record of the property or had legal or  
2 equitable interest in the property as evidenced by a written  
3 instrument or (ii) had a legal or equitable interest as a  
4 lessee in the parcel of property that was single family  
5 residence. If in any subsequent taxable year for which the  
6 applicant applies and qualifies for the exemption the equalized  
7 assessed value of the residence is less than the equalized  
8 assessed value in the existing base year (provided that such  
9 equalized assessed value is not based on an assessed value that  
10 results from a temporary irregularity in the property that  
11 reduces the assessed value for one or more taxable years), then  
12 that subsequent taxable year shall become the base year until a  
13 new base year is established under the terms of this paragraph.  
14 For taxable year 1999 only, the Chief County Assessment Officer  
15 shall review (i) all taxable years for which the applicant  
16 applied and qualified for the exemption and (ii) the existing  
17 base year. The assessment officer shall select as the new base  
18 year the year with the lowest equalized assessed value. An  
19 equalized assessed value that is based on an assessed value  
20 that results from a temporary irregularity in the property that  
21 reduces the assessed value for one or more taxable years shall  
22 not be considered the lowest equalized assessed value. The  
23 selected year shall be the base year for taxable year 1999 and  
24 thereafter until a new base year is established under the terms  
25 of this paragraph.

26 "Chief County Assessment Officer" means the County

1 Assessor or Supervisor of Assessments of the county in which  
2 the property is located.

3 "Equalized assessed value" means the assessed value as  
4 equalized by the Illinois Department of Revenue.

5 "Household" means the applicant, the spouse of the  
6 applicant, and all persons using the residence of the applicant  
7 as their principal place of residence.

8 "Household income" means the combined income of the members  
9 of a household for the calendar year preceding the taxable year  
10 less any amount paid by the household during the taxable year  
11 to a life care facility, as defined in Section 2 of the Life  
12 Care Facilities Act, for the care of any member of the  
13 household.

14 "Income" has the same meaning as provided in Section 3.07  
15 of the Senior Citizens and Disabled Persons Property Tax Relief  
16 and Pharmaceutical Assistance Act, except that, beginning in  
17 assessment year 2001, "income" does not include veteran's  
18 benefits .

19 "Internal Revenue Code of 1986" means the United States  
20 Internal Revenue Code of 1986 or any successor law or laws  
21 relating to federal income taxes in effect for the year  
22 preceding the taxable year.

23 "Life care facility that qualifies as a cooperative" means  
24 a facility as defined in Section 2 of the Life Care Facilities  
25 Act.

26 "Residence" means the principal dwelling place and

1 appurtenant structures used for residential purposes in this  
2 State occupied on January 1 of the taxable year by a household  
3 and so much of the surrounding land, constituting the parcel  
4 upon which the dwelling place is situated, as is used for  
5 residential purposes. If the Chief County Assessment Officer  
6 has established a specific legal description for a portion of  
7 property constituting the residence, then that portion of  
8 property shall be deemed the residence for the purposes of this  
9 Section.

10 "Taxable year" means the calendar year during which ad  
11 valorem property taxes payable in the next succeeding year are  
12 levied.

13 (c) Beginning in taxable year 1994, a senior citizens  
14 assessment freeze homestead exemption is granted for real  
15 property that is improved with a permanent structure that is  
16 occupied as a residence by an applicant who (i) is 65 years of  
17 age or older during the taxable year, (ii) has a household  
18 income of \$35,000 or less prior to taxable year 1999, \$40,000  
19 or less in taxable years 1999 through 2003, \$45,000 or less in  
20 taxable year 2004 and 2005, and \$50,000 or less in taxable year  
21 2006 and thereafter, (iii) is liable for paying real property  
22 taxes on the property, and (iv) is an owner of record of the  
23 property or has a legal or equitable interest in the property  
24 as evidenced by a written instrument. This homestead exemption  
25 shall also apply to a leasehold interest in a parcel of  
26 property improved with a permanent structure that is a single

1 family residence that is occupied as a residence by a person  
2 who (i) is 65 years of age or older during the taxable year,  
3 (ii) has a household income of \$35,000 or less prior to taxable  
4 year 1999, \$40,000 or less in taxable years 1999 through 2003,  
5 \$45,000 or less in taxable year 2004 and 2005, and \$50,000 or  
6 less in taxable year 2006 and thereafter, (iii) has a legal or  
7 equitable ownership interest in the property as lessee, and  
8 (iv) is liable for the payment of real property taxes on that  
9 property.

10 Through taxable year 2005, the amount of this exemption  
11 shall be the equalized assessed value of the residence in the  
12 taxable year for which application is made minus the base  
13 amount. For taxable year 2006 and thereafter, the amount of the  
14 exemption is as follows:

15 (1) For an applicant who has a household income of  
16 \$45,000 or less, the amount of the exemption is the  
17 equalized assessed value of the residence in the taxable  
18 year for which application is made minus the base amount.

19 (2) For an applicant who has a household income  
20 exceeding \$45,000 but not exceeding \$46,250, the amount of  
21 the exemption is (i) the equalized assessed value of the  
22 residence in the taxable year for which application is made  
23 minus the base amount (ii) multiplied by 0.8.

24 (3) For an applicant who has a household income  
25 exceeding \$46,250 but not exceeding \$47,500, the amount of  
26 the exemption is (i) the equalized assessed value of the

1 residence in the taxable year for which application is made  
2 minus the base amount (ii) multiplied by 0.6.

3 (4) For an applicant who has a household income  
4 exceeding \$47,500 but not exceeding \$48,750, the amount of  
5 the exemption is (i) the equalized assessed value of the  
6 residence in the taxable year for which application is made  
7 minus the base amount (ii) multiplied by 0.4.

8 (5) For an applicant who has a household income  
9 exceeding \$48,750 but not exceeding \$50,000, the amount of  
10 the exemption is (i) the equalized assessed value of the  
11 residence in the taxable year for which application is made  
12 minus the base amount (ii) multiplied by 0.2.

13 When the applicant is a surviving spouse of an applicant  
14 for a prior year for the same residence for which an exemption  
15 under this Section has been granted, the base year and base  
16 amount for that residence are the same as for the applicant for  
17 the prior year.

18 Each year at the time the assessment books are certified to  
19 the County Clerk, the Board of Review or Board of Appeals shall  
20 give to the County Clerk a list of the assessed values of  
21 improvements on each parcel qualifying for this exemption that  
22 were added after the base year for this parcel and that  
23 increased the assessed value of the property.

24 In the case of land improved with an apartment building  
25 owned and operated as a cooperative or a building that is a  
26 life care facility that qualifies as a cooperative, the maximum

1 reduction from the equalized assessed value of the property is  
2 limited to the sum of the reductions calculated for each unit  
3 occupied as a residence by a person or persons (i) 65 years of  
4 age or older, (ii) with a household income of \$35,000 or less  
5 prior to taxable year 1999, \$40,000 or less in taxable years  
6 1999 through 2003, \$45,000 or less in taxable year 2004 and  
7 2005, and \$50,000 or less in taxable year 2006 and thereafter,  
8 (iii) who is liable, by contract with the owner or owners of  
9 record, for paying real property taxes on the property, and  
10 (iv) who is an owner of record of a legal or equitable interest  
11 in the cooperative apartment building, other than a leasehold  
12 interest. In the instance of a cooperative where a homestead  
13 exemption has been granted under this Section, the cooperative  
14 association or its management firm shall credit the savings  
15 resulting from that exemption only to the apportioned tax  
16 liability of the owner who qualified for the exemption. Any  
17 person who willfully refuses to credit that savings to an owner  
18 who qualifies for the exemption is guilty of a Class B  
19 misdemeanor.

20 When a homestead exemption has been granted under this  
21 Section and an applicant then becomes a resident of a facility  
22 licensed under the Nursing Home Care Act, the exemption shall  
23 be granted in subsequent years so long as the residence (i)  
24 continues to be occupied by the qualified applicant's spouse or  
25 (ii) if remaining unoccupied, is still owned by the qualified  
26 applicant for the homestead exemption.



1           Beginning January 1, 1997, when an individual dies who  
2 would have qualified for an exemption under this Section, and  
3 the surviving spouse does not independently qualify for this  
4 exemption because of age, the exemption under this Section  
5 shall be granted to the surviving spouse for the taxable year  
6 preceding and the taxable year of the death, provided that,  
7 except for age, the surviving spouse meets all other  
8 qualifications for the granting of this exemption for those  
9 years.

10           When married persons maintain separate residences, the  
11 exemption provided for in this Section may be claimed by only  
12 one of such persons and for only one residence.

13           For taxable year 1994 only, in counties having less than  
14 3,000,000 inhabitants, to receive the exemption, a person shall  
15 submit an application by February 15, 1995 to the Chief County  
16 Assessment Officer of the county in which the property is  
17 located. In counties having 3,000,000 or more inhabitants, for  
18 taxable year 1994 and all subsequent taxable years, to receive  
19 the exemption, a person may submit an application to the Chief  
20 County Assessment Officer of the county in which the property  
21 is located during such period as may be specified by the Chief  
22 County Assessment Officer. The Chief County Assessment Officer  
23 in counties of 3,000,000 or more inhabitants shall annually  
24 give notice of the application period by mail or by  
25 publication. In counties having less than 3,000,000  
26 inhabitants, beginning with taxable year 1995 and thereafter,

1 to receive the exemption, a person shall submit an application  
2 by July 1 of each taxable year to the Chief County Assessment  
3 Officer of the county in which the property is located. A  
4 county may, by ordinance, establish a date for submission of  
5 applications that is different than July 1. The applicant shall  
6 submit with the application an affidavit of the applicant's  
7 total household income, age, marital status (and if married the  
8 name and address of the applicant's spouse, if known), and  
9 principal dwelling place of members of the household on January  
10 1 of the taxable year. The Department shall establish, by rule,  
11 a method for verifying the accuracy of affidavits filed by  
12 applicants under this Section and for verifying the validity of  
13 any expense paid to a life care facility. The applications  
14 shall be clearly marked as applications for the Senior Citizens  
15 Assessment Freeze Homestead Exemption.

16 Notwithstanding any other provision to the contrary, in  
17 counties having fewer than 3,000,000 inhabitants, if an  
18 applicant fails to file the application required by this  
19 Section in a timely manner and this failure to file is due to a  
20 mental or physical condition sufficiently severe so as to  
21 render the applicant incapable of filing the application in a  
22 timely manner, the Chief County Assessment Officer may extend  
23 the filing deadline for a period of 30 days after the applicant  
24 regains the capability to file the application, but in no case  
25 may the filing deadline be extended beyond 3 months of the  
26 original filing deadline. In order to receive the extension

1 provided in this paragraph, the applicant shall provide the  
2 Chief County Assessment Officer with a signed statement from  
3 the applicant's physician stating the nature and extent of the  
4 condition, that, in the physician's opinion, the condition was  
5 so severe that it rendered the applicant incapable of filing  
6 the application in a timely manner, and the date on which the  
7 applicant regained the capability to file the application.

8 Beginning January 1, 1998, notwithstanding any other  
9 provision to the contrary, in counties having fewer than  
10 3,000,000 inhabitants, if an applicant fails to file the  
11 application required by this Section in a timely manner and  
12 this failure to file is due to a mental or physical condition  
13 sufficiently severe so as to render the applicant incapable of  
14 filing the application in a timely manner, the Chief County  
15 Assessment Officer may extend the filing deadline for a period  
16 of 3 months. In order to receive the extension provided in this  
17 paragraph, the applicant shall provide the Chief County  
18 Assessment Officer with a signed statement from the applicant's  
19 physician stating the nature and extent of the condition, and  
20 that, in the physician's opinion, the condition was so severe  
21 that it rendered the applicant incapable of filing the  
22 application in a timely manner.

23 In counties having less than 3,000,000 inhabitants, if an  
24 applicant was denied an exemption in taxable year 1994 and the  
25 denial occurred due to an error on the part of an assessment  
26 official, or his or her agent or employee, then beginning in

1 taxable year 1997 the applicant's base year, for purposes of  
2 determining the amount of the exemption, shall be 1993 rather  
3 than 1994. In addition, in taxable year 1997, the applicant's  
4 exemption shall also include an amount equal to (i) the amount  
5 of any exemption denied to the applicant in taxable year 1995  
6 as a result of using 1994, rather than 1993, as the base year,  
7 (ii) the amount of any exemption denied to the applicant in  
8 taxable year 1996 as a result of using 1994, rather than 1993,  
9 as the base year, and (iii) the amount of the exemption  
10 erroneously denied for taxable year 1994.

11 For purposes of this Section, a person who will be 65 years  
12 of age during the current taxable year shall be eligible to  
13 apply for the homestead exemption during that taxable year.  
14 Application shall be made during the application period in  
15 effect for the county of his or her residence.

16 The Chief County Assessment Officer may determine the  
17 eligibility of a life care facility that qualifies as a  
18 cooperative to receive the benefits provided by this Section by  
19 use of an affidavit, application, visual inspection,  
20 questionnaire, or other reasonable method in order to insure  
21 that the tax savings resulting from the exemption are credited  
22 by the management firm to the apportioned tax liability of each  
23 qualifying resident. The Chief County Assessment Officer may  
24 request reasonable proof that the management firm has so  
25 credited that exemption.

26 Except as provided in this Section, all information

1 received by the chief county assessment officer or the  
2 Department from applications filed under this Section, or from  
3 any investigation conducted under the provisions of this  
4 Section, shall be confidential, except for official purposes or  
5 pursuant to official procedures for collection of any State or  
6 local tax or enforcement of any civil or criminal penalty or  
7 sanction imposed by this Act or by any statute or ordinance  
8 imposing a State or local tax. Any person who divulges any such  
9 information in any manner, except in accordance with a proper  
10 judicial order, is guilty of a Class A misdemeanor.

11 Nothing contained in this Section shall prevent the  
12 Director or chief county assessment officer from publishing or  
13 making available reasonable statistics concerning the  
14 operation of the exemption contained in this Section in which  
15 the contents of claims are grouped into aggregates in such a  
16 way that information contained in any individual claim shall  
17 not be disclosed.

18 (d) Each Chief County Assessment Officer shall annually  
19 publish a notice of availability of the exemption provided  
20 under this Section. The notice shall be published at least 60  
21 days but no more than 75 days prior to the date on which the  
22 application must be submitted to the Chief County Assessment  
23 Officer of the county in which the property is located. The  
24 notice shall appear in a newspaper of general circulation in  
25 the county.

26 Notwithstanding Sections 6 and 8 of the State Mandates Act,

1 no reimbursement by the State is required for the  
2 implementation of any mandate created by this Section.

3 (Source: P.A. 93-715, eff. 7-12-04; 94-794, eff. 5-22-06.)