



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1358

Introduced 2/20/2007, by Rep. Ed Sullivan, Jr.

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, for taxable year 2007 and thereafter, the amount of the exemption is the equalized assessed value of the residence in the taxable year for which application is made minus the base amount (now, the amount of the exemption is based upon the applicant's household income). Authorizes counties to provide that if a person has been granted a Senior Citizens Assessment Freeze Homestead Exemption, then the person qualifying need not reapply for the exemption and authorizes the Chief County Assessment Officer may conduct audits of any taxpayer claiming an exemption under this Section to verify that the taxpayer is eligible to receive the exemption. Makes technical changes. Effective immediately.

LRB095 08421 BDD 28595 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
10 year.

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

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

20 "Life care facility that qualifies as a cooperative" means
21 a facility as defined in Section 2 of the Life Care Facilities
22 Act.

23 "Maximum income limitation" means:

24 (1) \$35,000 prior to taxable year 1999;

25 (2) \$40,000 in taxable years 1999 through 2003;

26 (3) \$45,000 in taxable year, 2004 and 2005;

1 (4) \$50,000 in taxable year 2006 thereafter.

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

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

15 (c) Beginning in taxable year 1994, a senior citizens
16 assessment freeze homestead exemption is granted for real
17 property that is improved with a permanent structure that is
18 occupied as a residence by an applicant who (i) is 65 years of
19 age or older during the taxable year, (ii) has a household
20 income that does not exceed the maximum income limitation ~~of~~
21 ~~\$35,000 or less prior to taxable year 1999, \$40,000 or less in~~
22 ~~taxable years 1999 through 2003, \$45,000 or less in taxable~~
23 ~~year 2004 and 2005, and \$50,000 or less in taxable year 2006~~
24 ~~and thereafter,~~ (iii) is liable for paying real property taxes
25 on the property, and (iv) is an owner of record of the property
26 or has a legal or equitable interest in the property as

1 evidenced by a written instrument. This homestead exemption
2 shall also apply to a leasehold interest in a parcel of
3 property improved with a permanent structure that is a single
4 family residence that is occupied as a residence by a person
5 who (i) is 65 years of age or older during the taxable year,
6 (ii) has a household income that does not exceed the maximum
7 income limitation ~~of \$35,000 or less prior to taxable year~~
8 ~~1999, \$40,000 or less in taxable years 1999 through 2003,~~
9 ~~\$45,000 or less in taxable year 2004 and 2005, and \$50,000 or~~
10 ~~less in taxable year 2006 and thereafter,~~ (iii) has a legal or
11 equitable ownership interest in the property as lessee, and
12 (iv) is liable for the payment of real property taxes on that
13 property.

14 Through taxable year 2005 and for taxable year 2007 and
15 thereafter, the amount of this exemption shall be the equalized
16 assessed value of the residence in the taxable year for which
17 application is made minus the base amount. For taxable year
18 2006 ~~and thereafter~~, the amount of the exemption is as follows:

19 (1) For an applicant who has a household income of
20 \$45,000 or less, the amount of the exemption is the
21 equalized assessed value of the residence in the taxable
22 year for which application is made minus the base amount.

23 (2) For an applicant who has a household income
24 exceeding \$45,000 but not exceeding \$46,250, the amount of
25 the exemption is (i) the equalized assessed value of the
26 residence in the taxable year for which application is made

1 minus the base amount (ii) multiplied by 0.8.

2 (3) For an applicant who has a household income
3 exceeding \$46,250 but not exceeding \$47,500, the amount of
4 the exemption is (i) the equalized assessed value of the
5 residence in the taxable year for which application is made
6 minus the base amount (ii) multiplied by 0.6.

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

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

17 When the applicant is a surviving spouse of an applicant
18 for a prior year for the same residence for which an exemption
19 under this Section has been granted, the base year and base
20 amount for that residence are the same as for the applicant for
21 the prior year.

22 Each year at the time the assessment books are certified to
23 the County Clerk, the Board of Review or Board of Appeals shall
24 give to the County Clerk a list of the assessed values of
25 improvements on each parcel qualifying for this exemption that
26 were added after the base year for this parcel and that

1 increased the assessed value of the property.

2 In the case of land improved with an apartment building
3 owned and operated as a cooperative or a building that is a
4 life care facility that qualifies as a cooperative, the maximum
5 reduction from the equalized assessed value of the property is
6 limited to the sum of the reductions calculated for each unit
7 occupied as a residence by a person or persons (i) 65 years of
8 age or older, (ii) with a household income that does not exceed
9 the maximum income limitation ~~of \$35,000 or less prior to~~
10 ~~taxable year 1999, \$40,000 or less in taxable years 1999~~
11 ~~through 2003, \$45,000 or less in taxable year 2004 and 2005,~~
12 ~~and \$50,000 or less in taxable year 2006 and thereafter,~~ (iii)
13 who is liable, by contract with the owner or owners of record,
14 for paying real property taxes on the property, and (iv) who is
15 an owner of record of a legal or equitable interest in the
16 cooperative apartment building, other than a leasehold
17 interest. In the instance of a cooperative where a homestead
18 exemption has been granted under this Section, the cooperative
19 association or its management firm shall credit the savings
20 resulting from that exemption only to the apportioned tax
21 liability of the owner who qualified for the exemption. Any
22 person who willfully refuses to credit that savings to an owner
23 who qualifies for the exemption is guilty of a Class B
24 misdemeanor.

25 When a homestead exemption has been granted under this
26 Section and an applicant then becomes a resident of a facility

1 licensed under the Nursing Home Care Act, the exemption shall
2 be granted in subsequent years so long as the residence (i)
3 continues to be occupied by the qualified applicant's spouse or
4 (ii) if remaining unoccupied, is still owned by the qualified
5 applicant for the homestead exemption.

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

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

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

1 County Assessment Officer. The Chief County Assessment Officer
2 in counties of 3,000,000 or more inhabitants shall annually
3 give notice of the application period by mail or by
4 publication. In counties having less than 3,000,000
5 inhabitants, beginning with taxable year 1995 and thereafter,
6 to receive the exemption, a person shall submit an application
7 by July 1 of each taxable year to the Chief County Assessment
8 Officer of the county in which the property is located. A
9 county may, by ordinance, establish a date for submission of
10 applications that is different than July 1. The applicant shall
11 submit with the application an affidavit of the applicant's
12 total household income, age, marital status (and if married the
13 name and address of the applicant's spouse, if known), and
14 principal dwelling place of members of the household on January
15 1 of the taxable year. The Department shall establish, by rule,
16 a method for verifying the accuracy of affidavits filed by
17 applicants under this Section. The applications shall be
18 clearly marked as applications for the Senior Citizens
19 Assessment Freeze Homestead Exemption.

20 Notwithstanding any other provision to the contrary, in
21 counties having fewer than 3,000,000 inhabitants, if an
22 applicant fails to file the application required by this
23 Section in a timely manner and this failure to file is due to a
24 mental or physical condition sufficiently severe so as to
25 render the applicant incapable of filing the application in a
26 timely manner, the Chief County Assessment Officer may extend

1 the filing deadline for a period of 30 days after the applicant
2 regains the capability to file the application, but in no case
3 may the filing deadline be extended beyond 3 months of the
4 original filing deadline. In order to receive the extension
5 provided in this paragraph, the applicant shall provide the
6 Chief County Assessment Officer with a signed statement from
7 the applicant's physician stating the nature and extent of the
8 condition, that, in the physician's opinion, the condition was
9 so severe that it rendered the applicant incapable of filing
10 the application in a timely manner, and the date on which the
11 applicant regained the capability to file the application.

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

1 In counties having less than 3,000,000 inhabitants, if an
2 applicant was denied an exemption in taxable year 1994 and the
3 denial occurred due to an error on the part of an assessment
4 official, or his or her agent or employee, then beginning in
5 taxable year 1997 the applicant's base year, for purposes of
6 determining the amount of the exemption, shall be 1993 rather
7 than 1994. In addition, in taxable year 1997, the applicant's
8 exemption shall also include an amount equal to (i) the amount
9 of any exemption denied to the applicant in taxable year 1995
10 as a result of using 1994, rather than 1993, as the base year,
11 (ii) the amount of any exemption denied to the applicant in
12 taxable year 1996 as a result of using 1994, rather than 1993,
13 as the base year, and (iii) the amount of the exemption
14 erroneously denied for taxable year 1994.

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

20 The county board may by resolution provide that if a person
21 has been granted a homestead exemption under this Section, the
22 person qualifying need not reapply for the exemption. If the
23 county so provides, then the Chief County Assessment Officer
24 may conduct audits of any taxpayer claiming an exemption under
25 this Section to verify that the taxpayer is eligible to receive
26 the exemption. The application for the exemption must contain a

1 notice that any taxpayer who receives an exemption is subject
2 to an audit by the Chief County Assessment Officer.

3 The Chief County Assessment Officer may determine the
4 eligibility of a life care facility that qualifies as a
5 cooperative to receive the benefits provided by this Section by
6 use of an affidavit, application, visual inspection,
7 questionnaire, or other reasonable method in order to insure
8 that the tax savings resulting from the exemption are credited
9 by the management firm to the apportioned tax liability of each
10 qualifying resident. The Chief County Assessment Officer may
11 request reasonable proof that the management firm has so
12 credited that exemption.

13 Except as provided in this Section, all information
14 received by the chief county assessment officer or the
15 Department from applications filed under this Section, or from
16 any investigation conducted under the provisions of this
17 Section, shall be confidential, except for official purposes or
18 pursuant to official procedures for collection of any State or
19 local tax or enforcement of any civil or criminal penalty or
20 sanction imposed by this Act or by any statute or ordinance
21 imposing a State or local tax. Any person who divulges any such
22 information in any manner, except in accordance with a proper
23 judicial order, is guilty of a Class A misdemeanor.

24 Nothing contained in this Section shall prevent the
25 Director or chief county assessment officer from publishing or
26 making available reasonable statistics concerning the

1 operation of the exemption contained in this Section in which
2 the contents of claims are grouped into aggregates in such a
3 way that information contained in any individual claim shall
4 not be disclosed.

5 (d) Each Chief County Assessment Officer shall annually
6 publish a notice of availability of the exemption provided
7 under this Section. The notice shall be published at least 60
8 days but no more than 75 days prior to the date on which the
9 application must be submitted to the Chief County Assessment
10 Officer of the county in which the property is located. The
11 notice shall appear in a newspaper of general circulation in
12 the county.

13 Notwithstanding Sections 6 and 8 of the State Mandates Act,
14 no reimbursement by the State is required for the
15 implementation of any mandate created by this Section.

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

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