

SB1461



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1461

Introduced 2/9/2007, by Sen. John M. Sullivan

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-175

Amends the Property Tax Code. Makes a technical change in a Section concerning the general homestead exemption.

LRB095 11091 BDD 31418 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 15-175 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption. Except as
8 provided in Section 15-176, homestead property is entitled to
9 an annual homestead exemption limited, except as described here
10 with relation to cooperatives, to a reduction in the ~~the~~
11 equalized assessed value of homestead property equal to the
12 increase in equalized assessed value for the current assessment
13 year above the equalized assessed value of the property for
14 1977, up to the maximum reduction set forth below. If however,
15 the 1977 equalized assessed value upon which taxes were paid is
16 subsequently determined by local assessing officials, the
17 Property Tax Appeal Board, or a court to have been excessive,
18 the equalized assessed value which should have been placed on
19 the property for 1977 shall be used to determine the amount of
20 the exemption.

21 Except as provided in Section 15-176, the maximum reduction
22 before taxable year 2004 shall be \$4,500 in counties with
23 3,000,000 or more inhabitants and \$3,500 in all other counties.

1 Except as provided in Section 15-176, for taxable years 2004
2 and thereafter, the maximum reduction shall be \$5,000 in all
3 counties. If a county has elected to subject itself to the
4 provisions of Section 15-176 as provided in subsection (k) of
5 that Section, then, for the first taxable year only after the
6 provisions of Section 15-176 no longer apply, for owners (i)
7 who have not been granted a senior citizens assessment freeze
8 homestead exemption under Section 15-172 for the taxable year
9 and (ii) whose qualified property has an assessed valuation
10 that has increased by more than 20% over the previous assessed
11 valuation of the property, there shall be an additional
12 exemption of \$5,000 for owners with a household income of
13 \$30,000 or less. For purposes of this paragraph, "household
14 income" has the meaning set forth in this Section 15-175.

15 In counties with fewer than 3,000,000 inhabitants, if,
16 based on the most recent assessment, the equalized assessed
17 value of the homestead property for the current assessment year
18 is greater than the equalized assessed value of the property
19 for 1977, the owner of the property shall automatically receive
20 the exemption granted under this Section in an amount equal to
21 the increase over the 1977 assessment up to the maximum
22 reduction set forth in this Section.

23 If in any assessment year beginning with the 2000
24 assessment year, homestead property has a pro-rata valuation
25 under Section 9-180 resulting in an increase in the assessed
26 valuation, a reduction in equalized assessed valuation equal to

1 the increase in equalized assessed value of the property for
2 the year of the pro-rata valuation above the equalized assessed
3 value of the property for 1977 shall be applied to the property
4 on a proportionate basis for the period the property qualified
5 as homestead property during the assessment year. The maximum
6 proportionate homestead exemption shall not exceed the maximum
7 homestead exemption allowed in the county under this Section
8 divided by 365 and multiplied by the number of days the
9 property qualified as homestead property.

10 "Homestead property" under this Section includes
11 residential property that is occupied by its owner or owners as
12 his or their principal dwelling place, or that is a leasehold
13 interest on which a single family residence is situated, which
14 is occupied as a residence by a person who has an ownership
15 interest therein, legal or equitable or as a lessee, and on
16 which the person is liable for the payment of property taxes.
17 For land improved with an apartment building owned and operated
18 as a cooperative or a building which is a life care facility as
19 defined in Section 15-170 and considered to be a cooperative
20 under Section 15-170, the maximum reduction from the equalized
21 assessed value shall be limited to the increase in the value
22 above the equalized assessed value of the property for 1977, up
23 to the maximum reduction set forth above, multiplied by the
24 number of apartments or units occupied by a person or persons
25 who is liable, by contract with the owner or owners of record,
26 for paying property taxes on the property and is an owner of

1 record of a legal or equitable interest in the cooperative
2 apartment building, other than a leasehold interest. For
3 purposes of this Section, the term "life care facility" has the
4 meaning stated in Section 15-170.

5 "Household", as used in this Section, means the owner, the
6 spouse of the owner, and all persons using the residence of the
7 owner as their principal place of residence.

8 "Household income", as used in this Section, means the
9 combined income of the members of a household for the calendar
10 year preceding the taxable year.

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

15 In a cooperative where a homestead exemption has been
16 granted, the cooperative association or its management firm
17 shall credit the savings resulting from that exemption only to
18 the apportioned tax liability of the owner who qualified for
19 the exemption. Any person who willfully refuses to so credit
20 the savings shall be guilty of a Class B misdemeanor.

21 Where married persons maintain and reside in separate
22 residences qualifying as homestead property, each residence
23 shall receive 50% of the total reduction in equalized assessed
24 valuation provided by this Section.

25 In all counties, the assessor or chief county assessment
26 officer may determine the eligibility of residential property

1 to receive the homestead exemption and the amount of the
2 exemption by application, visual inspection, questionnaire or
3 other reasonable methods. The determination shall be made in
4 accordance with guidelines established by the Department,
5 provided that the taxpayer applying for an additional general
6 exemption under this Section shall submit to the chief county
7 assessment officer an application with an affidavit of the
8 applicant's total household income, age, marital status (and,
9 if married, the name and address of the applicant's spouse, if
10 known), and principal dwelling place of members of the
11 household on January 1 of the taxable year. The Department
12 shall issue guidelines establishing a method for verifying the
13 accuracy of the affidavits filed by applicants under this
14 paragraph. The applications shall be clearly marked as
15 applications for the Additional General Homestead Exemption.

16 In counties with fewer than 3,000,000 inhabitants, in the
17 event of a sale of homestead property the homestead exemption
18 shall remain in effect for the remainder of the assessment year
19 of the sale. The assessor or chief county assessment officer
20 may require the new owner of the property to apply for the
21 homestead exemption for the following assessment year.

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

25 (Source: P.A. 93-715, eff. 7-12-04.)